

**THE SPANISH FALANGE IN MEXICO
DURING THE SPANISH CIVIL WAR**

A Thesis
by
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Submitted to the Graduate School
Appalachian State University
in partial fulfillment of the requirements for the degree of
MASTER OF ARTS

December 2012
Department of History

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ABSTRACT

THE SPANISH FALANGE IN MEXICO DURING THE SPANISH CIVIL WAR

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The activities of the Spanish Falange in Mexico have escaped close scrutiny by the scholarly community. Likewise, scholars are only beginning to study the governmental organization that was tasked with monitoring the Spanish Falange in Mexico, the Dirección General de Investigaciones Políticas y Sociales (General Directorate for Political and Social Investigations), or IPS. This thesis uses the files of IPS, collected in the course of its investigation, to ascertain basic facts about the Spanish Falange, restricted to the period during the Spanish Civil War (1936-1939). The significant leadership of the Falange in Mexico has been identified, as have its activities. Additionally, close study has been made of the advertising within the propaganda organs of the Falange in order to better ascertain the source of its economic and political support. The leadership was centered in the Spanish colony of Mexico City, with a significant cell at work in Tampico. It also appears plausible that there were additional cells operating elsewhere in Mexico. The primary work of the Spanish colony was the raising of financial assistance for General Francisco Franco and

Nationalist Spain. The Spanish colony was also in active coordination with the consulates and embassies of Portugal, Italy, and Germany, for the purpose of fixing passports and possibly other activities. By this research, it has also become apparent that members of the Spanish Colony who were active in the Falange, and other Nationalist Spanish organizations, were almost universally from the north coast of Spain, had longstanding ties to Mexico by the time of Franco's rising, and in some cases held high-level positions in the financial establishment of Mexico. Given that, more research needs to be done to quantify the assistance given Nationalist Spain. In the process, it seems likely that more may become known about the existence and importance of latent Porfirian interests in the post-Revolutionary era.

ACKNOWLEDGEMENTS

First and foremost, the author wishes to acknowledge the incalculable contribution of his wife, Linda Higley. In the course of this research project, she has had to endure my selfish attitude, the worst landlord in history (or at least since the Middle Ages), and a 7.2-magnitude earthquake in Mexico City, not to mention the crush of the Mexico City Metro.

A special debt of gratitude is also due the financial assistance received from the Graduate School Association Senate and the History Department, both of Appalachian State University. Without this, the project could not have been undertaken.

The author would also like to acknowledge Dr. Jeffrey Bortz, the thesis advisor. Although the subject matter was the choice of the author, credit belongs to Dr. Bortz for the selection of the archive and the facilitation of the project from its inception. Throughout the project, his advice and encouragement has been exemplary.

Additional thanks go to Anatoly Isaenko, Michael Turner, Mary Valante, René Harder-Horst, and Edward Behrend-Martínez of the Appalachian State History Department, Kelli Cárdenas Walsh of the Fayetteville State History Department, and José Franco and Milena Hurtado of the Fayetteville State Department of World Languages and Cultures. Each has made a unique contribution to this work. Last and not least, the office staff of the Appalachian State History Department, Donna Davis and Teanna Setzer, have always been willing to lend a hand. Their assistance will never be forgotten.

TABLE OF CONTENTS

ABSTRACT.....	iv
ACKNOWLEDGEMENTS	vi
LIST OF TABLES	viii
Chapter 1 – Introduction	1
Chapter 2 –Membership of Unión Nacionalista Española and the Falange in Mexico	12
Chapter 3 – Franquista Activities in Mexico	30
Chapter 4 – Franquista Financial Connections in Mexico	53
Chapter 5 – Conclusion.....	63
BIBLIOGRAPHY	79
VITA	83

LIST OF TABLES

1. Major Supporters of Francisco Franco in Mexico	11
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Chapter 1 – Introduction

Mexico, the second largest supplier of military aid to Republican Spain after the Soviet Union, tolerated a robust network of Franquistas – supporters of Francisco Franco – within its borders throughout the Spanish Civil War. This network, by providing material and moral support for the Nationalist cause, was working against the Mexican government's best efforts to support the legitimate Republican government in Spain. The government of President Lázaro Cárdenas allowed this fascist network to function freely in Mexico. Although this thesis will focus on about a dozen of the more notable members of the Spanish colony in Mexico City, these merely represent the leadership. There were in fact scores of Spaniards working not only in the capital, but also in the ports of Tampico and Veracruz and probably in the cotton-growing region of Torreón, in support of Nationalist Spain. The overarching goal of this thesis is to examine the leadership of this network, define its characteristics and activities, and attempt to explain why it was allowed to persist.

The foundation for such an investigation rests in the archival records of the Dirección General de Investigaciones Políticas y Sociales (General Directorate for Political and Social Investigations) or IPS. This was the Mexican rough equivalent to the American FBI or the British MI-5. Public access to these records was not available until the presidency of Vicente Fox, which represented the end of seventy years of one-party rule in Mexico, in 2000. As a result, historians have yet to give many of these records a thorough analysis. Where this particular era and this particular set of people are concerned, Pablo Yankelevich is the only

one to have put these records to use. The focus of his work centers on widespread anti-Spanish prejudice in Mexican society vis-à-vis the expulsion policy followed by the government of Lázaro Cárdenas. Specifically, Yankelevich asks why there were not more expulsions as was provided under Article 33 of the Constitution.¹ Aaron Navarro has also produced a recent study that is focused more on the development of IPS and what I would call the “political taming” of Mexico’s post-Revolutionary military leadership. The bulk of this work centers around three Mexican presidential elections, in 1940, 1946, and 1952.² The Falange is dealt with only tangentially. However, it is the next closest thing I have been able to find. As with an earlier work by María Emilia Paz Salinas,³ Navarro’s treatment of the Falange and Spain in general is cursory and still reliant upon American intelligence reports by the FBI and the military. Earlier studies are similarly plagued by over-reliance on American sources. As will be discussed in the conclusion, by using American documents historians have allowed their conclusions to be colored by the American point of view at that time. In this respect, the significance of Spanish activities in Mexico is only taken into account insofar as it aided Germany and Japan, and much of the intelligence on which the historiography is based was generated after 1941. This study will attempt to address documentation of Spanish activity in Mexico *during* the Spanish Civil War, with the main focus being how the activity assisted Francisco Franco, *not* Germany and Japan. After all, there were many in 1938 who still thought that Hitler was a leader with whom one could

¹ Pablo Yankelevich, “Gachupines rigurosamente vigilados: La excepcionalidad del gobierno de Lázaro Cárdenas en la política de expulsión de españoles indeseables,” *Historias* 59 (sep. al dic. de 2004) 45-62.

² Aaron Navarro, *Political Intelligence and the Creation of Modern Mexico, 1938-1954* (University Park: The Pennsylvania State University Press, 2010).

³ María Emilia Paz Salinas, *Strategy, Security, and Spies: Mexico and the U.S. as Allies in World War II* (University Park: The Pennsylvania State University Press, 1998).

work. The big lie of Munich had not yet been revealed. In such manner, it is hoped that this thesis will contribute to a more realistic portrayal of the events from 1936 to 1939. There is plenty of other evidence from the period to be found within the IPS records with respect to Germany, Japan, the Soviet Union, and even Italy. I chose Spain because the Spanish Civil War was the most significant global event of the period prior to Munich, at least insofar as Latin America was affected.⁴ Secondly, Mexico's relationship with Spain is different than with those other nations that might better be called powers because Mexico and Spain shared a common language, religion, and to a large degree a common culture, particularly where the literate portion of the two populations was concerned. There was also the special nature of the Spanish Civil War, with the underlying phenomenon of the Popular Front on the left and the reactionary rise of the right. I view the Spanish Civil War as the first proxy war of the Cold War and I find it interesting that Mexico – post-Revolutionary Mexico – would implicate itself in such a conflict.⁵

The first goal of this thesis will be to describe the leadership network. For the purpose of conveying the contents of the archival record, I have divided members of the pro-Franco faction of the Spanish colony in Mexico City into three categories: elites, operators, and polemicists. The first is an exclusive term, the second and third inclusive. The 'elites' occupied highly influential commercial positions and were tasked with providing money to

⁴ Of course, in sheer numbers the Japanese invasion of China proper in 1937 was also highly significant; in economic terms certainly more so. However, the focus of my course of study is Latin America.

⁵ It is my view that the Cold War is not an American-Soviet conflict, but rather a right-left conflict that has as its starting date the October Revolution of 1917. The reactions of London, Washington, and Tokyo against the new Soviet government confirm this view. Again, China – this time the anti-bandit campaign against Mao and the CCP – could be pointed to as an alternative case.

the Franquista cause, either from their own purses or by raising additional sums. Some of these elites could also be termed 'operators' or 'polemicists' or both, as they were engaged in activities that went beyond fundraising. In this respect, the separate categorization of operators and polemicists are by default: I have found no evidence that the individuals in question are wealthy enough to be termed elites. These operators were engaged in much of the dirty work which either did not require the participation of the elites – such as passport-fixing and coordination with the Nationalist regime in Burgos, among other pursuits – or were disdained by the elites due to obvious legal implications. The category of polemicist is similarly by default. However, in this case it is probable that a polemicist could only acquire the ability to engage in such time-consuming activity by having attained the financial means to do so. Such is the case with Francisco Cayón y Cos. Although he wrote a great deal of the propaganda used by pro-Franco publications, he is categorized here not as polemicist but as an elite by virtue of clear evidence of his wealth. There are many such cases of diversification on the part of the network. Notwithstanding these cases, I have classified individuals as polemicists, as with the operators, because there is insufficient evidence to term them elites. Thus, the categorization adopted herein is much more a description of who the people were, or at least who they appeared to be, according to the IPS investigation. At the point of describing what they actually did, it will become necessary to adapt the construct and add the qualifiers. At the end of this chapter is a table of the major supporters of Franco in Mexico, which I hope will assist the reader in the substantial section of the thesis. Please note the preponderance of Spaniards from northern Spain, particularly from the Basque region and Asturias (Vizcaya and Santander). Also note that the vast majority of these individuals had been in Mexico long before Francisco Franco entered the scene. The archival

record is replete with the dates of birth of these individuals and their age is usually an indication of the level of status they had attained within the network.

The second goal of the thesis is to use the list of names in the IPS archive to establish connections that go beyond the archival information. I believe that this thesis has succeeded in making connections, particularly in the financial sector, which historians have thus far omitted. It would not have been possible to do so without performing a thorough analysis of the IPS record with respect to the Spanish network. The analysis contained herein includes noting what companies were advertising in Franco's propaganda organs that were being published in Mexico during the Spanish Civil War. In the course of seeking further background information on the individuals under investigation by IPS, I happened to pick up Nora Hamilton's study of Mexico's financial sector in the context of the Marxist theory of "state autonomy."⁶ I have discovered that the financial institutions studied by Hamilton had much in common with the Spanish network in Mexico working for Franco and advertising in his propaganda. As this is merely a masters' thesis, the full nature of these financial connections cannot possibly have been fleshed out. Nevertheless, what connections have been established have been included here in order to illustrate the level of financial means at the disposal of the Spanish network and, hopefully, to show that further work in this direction has the potential of bearing fruit.

The third goal of this thesis is to examine the position of the Mexican government with respect to this Franquista network. The Mexican government under President Cárdenas

⁶ Nora Hamilton, *The Limits of State Autonomy: Post-Revolutionary Mexico* (Princeton, NJ: Princeton University Press, 1982).

had a clear foreign policy throughout the Spanish Civil War. One year into the war, not only was Mexico a significant supplier of military assistance to Republican Spain but it was also an outspoken critic of fascist aggression in Ethiopia, China, *and* Spain. Cárdenas and his Foreign Ministry saw the three conflicts as a set, proof of the expansionist intentions of what would, by 1939, emerge as the Axis powers. Cárdenas saw the policy of nonintervention in Spain put forward by Britain and France as *de facto* assistance to Franco's Nationalist regime, hence assistance to Franco's major abettors, Nazi Germany and Fascist Italy. Narcisso Bassols, Mexico's roving ambassador in Europe, had said just that at the League of Nations.⁷ Mexico's place within the new balance of power was explained by Ramón Beteta, the Under-Secretary for Foreign Relations at the time: "Although far from being a great power, Mexico nevertheless tried to behave like one in her diplomatic life." Beteta argues that Mexico's foreign policy "can be properly understood only in the light of her domestic policy." This domestic policy "questioned the sacredness of a profit-making system based on an absolute right of private property, in her Agrarian Reform and in her Labor Laws."⁸ Given such lofty goals, I will join Pablo Yankelevich to ask why such a foreign policy was not supported at home by actions against pro-Franco elements operating within Mexico.

Although at first glance it is unclear as to why this network was allowed to exist, and even thrive, it is my contention that it was allowed to do so because the Falange and other Franquista elements had penetrated the heart of Mexico's financial institutions and exploited

⁷ T.G. Powell, "Mexico," Mark Falcoff and Frederick Pike, eds., *The Spanish Civil War, 1936-39: American Hemispheric Perspectives* (Lincoln: University of Nebraska Press, 1982), 63-64.

⁸ Ramón Beteta, "Mexico's Foreign Relations," *Annals of the American Academy of Political and Social Science* 208 (Mar1940), 170-171.

deficient capitalization of reform programs implemented by Cárdenas. Franquista activities went beyond mere propaganda to include more nefarious activities such as raising funds for Franco's Nationalist Army, maintaining communications networks with the Nazis (and probably the Japanese), and fixing passports through the Portuguese, German, and Italian legations, which allowed Franquista intelligence assets to move freely across the Atlantic and throughout Latin America. The Mexican government also possessed information, tenuous as it is, indicating that Falangista agents were working to sabotage Mexico's collective agricultural project in the Laguna cotton-growing region, known as *ejidalización*. It would have been quite logical for the Mexican government to require the Spanish colony to desist in these activities. Even a matter as innocuous as publishing propaganda was so directly in conflict with Mexico's stated foreign policy that it could have been taken as *prima facie* evidence of sedition. Because this did not happen, potential conflicts of interest such as those in the financial sector take on added significance. Mexico's expropriation of the oil industry in 1938 and the Nazi-Soviet Pact in 1939 also compromised policies of the Cárdenas government that had previously been quite clear.

It would be a good idea to explain the conventions followed by the paper, some of which the reader has probably already noticed. Due to self-editing functions of the software, unable to recognize the anglicized word for obscure groups or organizations dealt with widely in this paper, it is far more convenient to use the Spanish word for them. Thus members of the Falange are Falangistas, supporters of Cárdenas are Cardenistas, and supporters of Franco are Franquistas. In Spanish, the software recognizes these terms. I hope that the reader will not be put off by this practice. Insofar as the materials cited in this paper are concerned, where the original is in Spanish I have prepared the translation in all cases.

Also problematic is the potential for conflation of terminology when dealing with the Falange. There were two groups working in Mexico in support of Franco: the Unión Nacionalista Española (Nationalist Spanish Union), or UNE, and the Falange. The term “Franquista” will be used as a catch-all phrase. It generally will be applied when it is necessary to refer to both groups in conjunction, although I will caution the reader that it may have an either/or connotation and it may simply mean persons sympathetic to Franco with no specific reference to either the UNE or the Falange. The reader will have to infer this from the context; otherwise the narrative would be too stilted and cumbersome. When the word “Falange” is used, the reader will interpret this at the exclusion of the UNE, and vice versa. Not all supporters of Franco were Falangistas. In broader terms, the word “fascist” is to be interpreted as being part of the global anti-communist movement of the extreme right led by Germany and Italy.

On the Republican side of things, it should also be noted that where the Spanish Embassy is cited the embassy is *always* representative of the Spanish Republic, for that was the legal and official government of Spain during the time period covered by this thesis. Although it is common to refer to the Republican side as ‘loyalist,’ I have shunned the term. The reasons for this are many. Although their loyalty to the Spanish government can be called into question, Carlists were most certainly loyal to the Spanish Crown. In this and other respects, I consider the term ‘loyalist’ to cause more confusion than clarity. Republican and Nationalist are clear enough.

Finally, a word about the primary sources: a good many of these are reports from agents in the field to the head of IPS, “*el Jefe*.” Agents were numbered, therefore Agent Number Seven of IPS was known as “PS-7.” He or she (there were female agents) would

even sign these reports by that designation alone. It will be hard enough for the reader (as it was for the researcher) to follow the names of all the Franquistas running about; therefore, the “PS-*x*” designation will be maintained by the paper. As for the system employed by Mexico’s national archive, el Archivo General de la Nación, records are generally stored topically, in boxes (*cajas*) and files (*expedientes*). The bulk of this thesis is based upon four *expedientes*, comprising about five hundred pages in all. Given the window that has been opened onto the Cárdenas administration by my research with regard to potential conflicts of interest, there are tens, perhaps hundreds, of thousands of other pages that now stand to be reviewed, for this is the bulk of the work in which IPS agents were engaged. The vast majority of IPS *expedientes* deal with local political developments. Those used to prepare this thesis represent the exception to the rule.

The reports filed by Mexican agents are extremely thin on analysis. The purpose of their investigations was to collect information and transmit it to higher authority. If these higher authorities did engage in any analysis, it never made its way to paper and into the record examined by this research. This leaves the researcher in a quandary. There is plenty of information. What does it mean? The evidence contained in IPS records is far more quantitative and circumstantial than qualitative and empirical. It creates more questions than it provides answers. Much of the IPS record is of a circumstantial nature due to the fact that often the investigation has its origins in a denunciation – *denuncio* in Spanish – submitted to the government. Both the Spanish (Republican) Embassy and Mexican citizens made such *denuncios* against the Spanish colony in Mexico City. The task of IPS was to collect further information to test the validity of such accusations. However, lacking any analysis such

investigations naturally lack any appurtenant conclusion. A clear conclusion would have been expulsion of the person under investigation. This almost never happened.

TABLE 1
Major Supporters of Francisco Franco in Mexico⁹

Name	Birth	Entered Mexico	Citizenship Status	Remarks
Elites				
Manuel Dosal Escandón	±1896	1926	n/a	President of UNE and Falange; died 27Feb1938
José Vega del Cueto	1882 Santander	1930	Spain	Former President of UNE and Falange
Ángel Urraza	1891 Vizcaya	1910	Spain	Owner, Euskadi Rubber; owned 15% stake in Banco de Londres
Jaime Arechederra	Santander	1912 & 1931	Naturalized Sep1935	Co-owner, La Carolina (textiles)
José María Arechederra	Santander	1908	Naturalized Sep1935	Co-owner, La Carolina (textiles)
Francisco Cayón y Cos	1877, Santander	1920	Spain	Engineer; Agent, Compañía Transatlántica Española
Operators				
Augusto Ibáñez Serrano	n/a	1900	Naturalized Dec1935	Kept office in Banco del Comercio; personal representative of Franco
Gilberto Ruido García	1880s Orense	1908, 1937	Spain	Owner, New York Garage
José Celorio Ortega	1906 Toluca, DF	Born in Mexico	Spain	President of Falange, as of Feb1938
Polemicists				
Antonio Gascón Hernández	n/a	1937	Spain	Journalist; former Embassy employee; wanted for treason
Braulio Suarez	n/a	n/a	Spain	Owner, <i>Diario Español</i> ; brother-in-law of Cayón y Cos
Jesús Díaz de la Fuente	±1883	1927 & 1930 from Santander	Spain	Director, <i>Diario Español</i>

⁹ Archivo General de la Nación, Dirección General de Investigaciones Políticas y Sociales, Caja 321, Expedientes 64 & 65, passim.

Chapter 2 – Membership of Unión Nacionalista Española and the Falange in Mexico

A close examination of the records of the Dirección General de Investigaciones Políticas y Sociales (IPS) – essentially Mexico's FBI – reveals the existence of a large, well funded, and predominantly Basque, Cantabrian, and Asturian Franquista network with deep and long-standing roots in Mexico. Through a variety of methods, they intended to support Francisco Franco and his Nationalist forces in the Spanish Civil War. Not only by its existence but more importantly by the fascist network's activities, of which the archival record shows the Mexican Government was fully aware, such examination of the record makes it apparent that the policies of Cárdenas and the Foreign Ministry abroad did not match those of the Secretariat of Government (henceforward referred to as *Gobernación*) at home. In Mexico, this intricate network of cabals sympathetic to, and concretely supportive of, Francisco Franco was tolerated in spite of clear legal provisions under Article 33 of the Constitution that would have legally supported Cárdenas had he taken action to expel such individuals.

The Franquista network investigated by IPS in Mexico was comprised of a nepotistic community of Spaniards, Mexicans, Spaniards naturalized as Mexicans, and in one case a Mexican naturalized as a Spaniard, all actively working in Mexico City to make Franco's rising in Spain a success. They can be identified as an assortment of extremely wealthy industrialists and professionals, middle-level operators, and polemicists of all stripes. This network was engaged in collecting funds in support of Nationalist Spain; providing cover for

Franquista human intelligence assets by supplying illicit visas through the Portuguese and other legations; recruitment of new operatives; providing a communications network to the Nationalist intelligence network via a series of businesses that sometimes were merely fronts; and disseminating propaganda in support of the Nationalist cause in direct contravention of the official policy of the Mexican government. The IPS investigation was given impetus at two points in time: March 1938 and March 1939. Little evidence exists prior to the first date. Why the investigation was not pursued any further after March 1938 is not evident, nor is it clear why the investigation was briefly resumed in March 1939. It does not require a great deal of speculation to conclude that the March 1939 investigation was not continued due to Franco's victory and more pressing domestic concerns as the 1940 election approached.

Of the elites, Ángel Urraza, the Arechederra brothers, and Francisco Cayón y Cos are by far the most important. Although Urraza was the owner of Hulero Euskadi, the dominant rubber company in Mexico, it was his other business activities that make him important to this thesis. The Arechederra brothers were owners of La Carolina textile mill. There is little direct evidence of their participation in Franquista plots, however this is likely due to the fact that they were naturalized Mexican citizens. Since it was not possible to expel them, there was no point in including them in an investigation of the Falange. Nevertheless, in the course of such investigations the Arechederras were connected to Francisco Cayón y Cos. He was a mining engineer who, by the latter half of the 1930s, was also working as an agent for the shipping line Compañía Transatlántica Española. Due to the preponderance of evidence, Cayón y Cos occupies a central place in this thesis.

Among the operators, the most important are Augusto Ibáñez Serrano and José Celorio Ortega. Ibáñez was publicly known as the personal representative of Franco in

Mexico. His influence upon Franquista activities can be seen in the correspondence of Cayón y Cos. Celorio was head of the Falange from the time that IPS began its investigation in earnest, in March 1938. Of the polemicists, Antonio Gascón Hernández is by far the most interesting as he abused his position in the Spanish Embassy to betray the Republic. However, the most important of the polemicists was Braulio Suárez, who was the brother-in-law of Cayón y Cos, owing to his ownership of the pro-Franco daily *Diario Español*.

Don Manuel Dosal Escandón, head of the Falange in Mexico, succumbed to illness and died in Mexico City on 27 February 1938. The funeral was held the following day at the Panteón Español. IPS could not have contrived a better way to gather together such a wide array of Franco's supporters. Naturally, the (Republican) Spanish Embassy was more than willing to assist them in their investigation. Frankly, they need not have wasted their time. One of the Falange's main organs of communication, *Diario Español*, had as comprehensive a list of the attendees as IPS or the Spanish Embassy could want.¹⁰

Among the more than five hundred attending the funeral were Dosal Escandón's "political uncle," don Ismael Vega. He and Pedro Pérez Fernández presided over the funeral cortège. No doubt, it was through the marriage of Dosal Escandón to Ana María de la Vega, now his widow, that Vega became his political uncle. Although Ismael Vega was reported in attendance of regular meetings of the Spanish Nationalist Union (Unión Nacionalista

¹⁰ Transcription of *Diario Español*, 5Mar1938, as found in Archivo General de la Nación, Dirección General de Investigaciones Políticas y Sociales, Caja 321, Expediente 64, 24-25, henceforward given as AGN, DGIPS, 321:64, 24-25.

Española or UNE),¹¹ this Spanish citizen was later cleared by the head of the IPS of any involvement in the Falange with no explanation.¹² Plenty of other members of the Vega clan were present at the funeral as well. There was Estanislao Vega, who held a seat on the board of directors of the Mutual Society of Travel Agents (Sociedad Mutualista de Agentes Viajeros or SMAV). The head of this SMAV, don Julio Vidal Comas, read a brief eulogy. Estanislau Vega and Fernando Díaz de la Vega, also in attendance, were linked to the same UNE meetings as don Ismael. Gude Cárdenas de la Vega, an “employee” of *La Nueva España*,¹³ was there. Also listed in attendance were “the Vega brothers.” Whether this was a redundant listing by *Diario Español*, or yet more members of *la familia Vega*, is not clear. There were others bearing the Vega surname under IPS investigation. One of these was José Vega del Cueto, who entered Mexico in 1930 and was married to Julia Basterra, a Mexican.¹⁴ The Spanish Embassy had linked Vega del Cueto to fascist activities and financial contributions to Franco.¹⁵ IPS had come across Vega del Cueto before, as he was denounced in July 1936 by the Mexican organization FROC (*Federación Regional de Obreros y Campesinos del Distrito Federal*) as an organizer of the Falange in Mexico, along with Baldomero Álvarez.¹⁶ Unfortunately, the IPS investigation of *la familia Vega* is not that

¹¹ “PS-7 al Jefe de la Oficina de Información,” México, DF, 10Mar1938. AGN, DGIPS, 321:64, 15.

¹² “Cipriano Arriola al Jefe del Depto. de Gobierno,” México, DF, 20Jun1939. AGN, DGIPS, 40:4, 58.

¹³ No doubt *La Nueva España* was part of the Falangista propaganda effort; however, pinning down what it was and where it was published is problematic. There was such a publication by that name in Guayaquil, Ecuador and Porto Alegre, Brazil. See Allen Chase, *Falange: The Axis Secret Army in the Americas* (New York: Putnam’s Sons, 1943), 26 & 189. There were almost certainly others, though no such publication was investigated by IPS.

¹⁴ AGN, DGIPS, 321:64, 108.

¹⁵ AGN, DGIPS, 321:64, 22 & 83-84.

¹⁶ Yankelevich, 53-54.

extensive and many of those in attendance at the funeral never came under close scrutiny in connection with the Franquista network. It is, however, worth noting that in September 1941 the new head of the Falange in La Habana, Cuba, would be a man by the name of Francisco de la Vega.¹⁷ Why a family this well connected to the head of the UNE and Falange was not investigated more fully is hard to say.

What is more interesting, and more telling, is the list of Falangistas and others who were not in attendance of the funeral. The bulk of the personages that follow were not in attendance. At his time, the Chamber of Deputies was carrying on a heated discussion of Spanish fascist activity in Mexico. There, on 9 March, Salvador Ochoa Rentería declared that, "We have concrete data on the reactionary work that is being developed at this moment in Mexico by many Spanish fascists, many *gachupines* who are developing a project not only against the government of Azafia, but also against the Mexican Government..."¹⁸ Two days later, on 11 March, the Committee of Workers' Defense of the National Revolutionary Block of the Legislature delivered this concrete data to *Gobernación*.¹⁹

Buried within this four page *denuncio* was the name of Ángel Urraza, the owner of the rubber company Hulero Euskadi. Urraza was born in Alonsótequi, Vizcaya, the Basque region of Spain, in 1891. By the time of Franco's 1936 rising in Spain, therefore, Urraza was of an age to be highly influential within the Spanish colony if he had the means, which he

¹⁷ Chase, 72. Although not without its problems, this work, prepared by an investigative journalist based on smuggled Republican documents, is consistent with the IPS record in many matters of detail.

¹⁸ Yankelevich, 57. *Gachupines* is a pejorative term for Spaniards.

¹⁹ "Comité de Defensa de los Trabajadores del Bloque Nacional Revolucionaria de la XXXVII Legislatura al C. Lic. Ignacio García Téllez", México, DF, 11Mar1938. AGN, DGIPS, 321:64, 19-23.

obviously did have. He came to Mexico in 1910, during the last days of the *Porfiriato*.²⁰ In 1927, his immigration paperwork had been expedited via Bilbao, indicating continued ties to the Basque region. His 1932 Tarjeta Forma 14 (the Mexican version of a visa at this time) listed his residence as Club España in Torreón.²¹ This will have significance later on. Euskadi (the Basque word for "Basque") had signed a subsidiary agreement with BF Goodrich in 1930.²² Urraza was among the founding members of the investment group Sofimex, along with Maximino Michel, Enrique Sada Muguerza, Ángel Muguerza, and Manuel Gómez Morín, although the most important of this group were the insurance magnates Federico Williams and Ignacio Hornik. Hornik, Swiss by nationality, was vice-president of General Insurance Company, Ltd. of Trieste and Venezia.²³ Gómez Morín was the organizer of Acción Nacional, one of the many political action organizations founded around the world with a basis in Catholicism.²⁴ He and Urraza were fellow stakeholders in the Mexican Bank of London (Banco de Londres), at five and fifteen per cent, respectively.²⁵

Another Basque name appearing on the Committee's denunciation is that of Jaime Arechederra, owner of the textile factory La Carolina according to this document. La Carolina was one of the four largest mills in Mexico, with over a thousand employees as

²⁰ The *Porfiriato* was the long reign of Porfirio Díaz. His abuse of power was one of the many causes of the Mexican Revolution.

²¹ Memorandum interna, "Ángel Urraza Saracho," sin lugar o fecha. AGN, DGIPS, 321:64, 131-132.

²² Hamilton, 73-74.

²³ Ibid., 325-326.

²⁴ James D. Henderson, *Conservative Thought in Twentieth Century Latin America: The Ideas of Laureano Gómez* (Athens: Ohio University Center for International Studies, 1988), 109.

²⁵ Hamilton, 319.

early as 1921.²⁶ Arechederra, was “one of the most active animators of anti-Spanish [i.e., anti-Republican] propaganda...An always eternal (*sempiterno*) corruptor of lower level employees at the Labor Department.” His brother, José María, was “cut from the same cloth (*del mismo corte*).” According to *Diario Español*, the José María Arechederra was among those present at the funeral of Dosal Escandón.²⁷

As part of the business and merchant class, both brothers had a history of trans-Atlantic travel, José María having been detained at Veracruz in 1908, Jaime having visited Mexico in 1912. José María came to Mexico for good in 1927, Jaime in January 1931, perhaps as a result of the anti-monarchical revolution in Spain. Both were naturalized Mexican citizens on 3 September 1935.²⁸ Both Arechederra brothers bore the maternal name Quintana. IPS had to be careful in their handling of the names of suspects. A simple misspelling could eliminate any possibility of making a connection that might be crucial to the investigation. There was a “Luciano *Aredecherra*” who also figured among the IPS list of Falangistas in Mexico. A Mexican by naturalization,²⁹ he was called out by the Spanish Embassy as an “agitator, Falangista, in direct relations with Mexican fascists,” on 16 March.³⁰ His name also appears as a handwritten entry at the bottom of an IPS inter-office

²⁶ Jeffrey Bortz, *Revolution within the Revolution: Cotton Textile Workers and the Mexican Labor Regime, 1910-1923* (Stanford, CA: Stanford University Press, 2008), 30.

²⁷ Transcription of *Diario Español*, 5Mar1938, AGN, DGIPS, 321:64, 24-25.

²⁸ “Informe de Gobernación, Jaime Arechederra,” México, DF, 21Mar1938. AGN, DGIPS, 321:64, 138 & “Informe de Gobernación, José María Arechederra,” México, DF, 21Mar1938, AGN, DGIPS, 321:64, 161.

²⁹ “Informe de Gobernación, Para Antecedentes Migratorios,” sin lugar o fecha. AGN, DGIPS, 321:64, 168.

³⁰ “José Loredó Aparicio, Encargado de Negocios, Embajada de España, al Sr. Jefe de la Oficina de Información Política y Social de la Secretaría de Gobernación,” México, DF, 16Mar1938. AGN, DGIPS, 321:64, 92.

list of Spanish fascists, this time as "Luciano *Arechederra Quintana*."³¹ Whether Luciano was part of the same clan as José María and Jaime is not part of the record.

The individual on whom there is the most information in the IPS records is Francisco Cayón y Cos, who is privileged to have his own two-hundred and thirty-six page file on record, broken down into two volumes.³² The Spanish Embassy characterized him as a "con-man and a pimp (*estafador y souteneur*)."³³ According to his passport, he was born in Pesquera, Santander, in 1877.³⁴ He was, in addition to the other occupations, a mining engineer working as an agent for the shipping line Compañía Transatlántica Española (CTE). In 1926 CTE provided regular service between Bilbao, Santander, and Gijón in Spain and La Habana and Veracruz in the Americas.³⁵ According to Allen Chase, the shipping line was a vital means of landing Nazi spies in Florida.³⁶ Cayón y Cos was a columnist in *Vida Española*, a magazine published by the Spanish colony in Mexico City in support of Francisco Franco. Although Cayón y Cos was neither owner nor director of this magazine, Cayón y Cos was one of the magazine's biggest proponents. When it came time to apprise Franco of the publication's status, it was Cayón y Cos who would write the Generalissimo.³⁷

³¹ AGN, DGIPS, 321:64, 103.

³² AGN, DGIPS, 321:65, Tomos I y II. The pages of this archival material are not numbered.

³³ AGN, DGIPS, 321:64, 22.

³⁴ AGN, DGIPS, 321:65, Tomo I.

³⁵ Frederick Pike, *Hispanismo, 1898-1936: Spanish Conservatives and Liberals and Their Relations with Spanish America* (Notre Dame, IN: University of Notre Dame Press, 1971), 226.

³⁶ Chase, 105-106.

³⁷ Sub voce, 42.

One of Cayón y Cos's regular correspondents was Pío Noriega, a wealthy *hacendado* in Nuevo León who was first cousin of Íñigo Noriega.³⁸ Íñigo Noriega was known to be a friend of Mexico's pre-Revolutionary dictator Porfirio Díaz and a member of the board of Compañía de Seguros La Fraternidad, an insurance company. According to Frederick Pike, Íñigo Noriega came to Mexico in 1900 as a pauper and built his fortune before the demise of the Díaz regime.³⁹ It was Florencia Noriega who was among the founding members of the mill La Carolina,⁴⁰ the mill now belonging to the Arechederra brothers, and Florencia Noriega too was a friend of Cayón y Cos.⁴¹ How the mill came to the Arechederra brothers, the IPS records do not tell, but La Carolina continued to advertise under the name C. Noriega and Successors in *Vida Española*.⁴² Cayón y Cos and Arechederras were part of the same list of Spaniards investigated by PS-15. Cayón y Cos could not be located; however, there is nothing unusual in this as his correspondence is replete with mentions of travel within Mexico.⁴³ Given his mining concerns, his position within CTE, and his pro-Franco politicking, Cayón y Cos was a very busy man. It appears from the banter in the correspondence between Cayón y Cos and Pío Noriega that they came to be associates through the former's work in the mining industry.

³⁸ Yankelevich, 2004, 52.

³⁹ Pike, 240. This Íñigo Noriega should not be confused with Íñigo Noriega Lasso, listed in the study of Mexican banking by Ludlow and Marichal as a subscriber of shares in Banco Mercantil Mexicano in 1881. See Leonor Ludlow y Carlos Marichal, eds., *Banca y poder en México (1800-1925)* (México: Editorial Grijalbo, 1985), 342. Noriega Lasso died in 1920.

⁴⁰ Bortz, 42.

⁴¹ "Francisco Cayón y Cos a Pío Noriega," México, DF, 24Dec1936. AGN, IPS, 321:65, Tomo I.

⁴² "La Carolina, C. Noriega y Cía." [anuncio], en *Vida Española*. AGN, DGIPS, 321:64, 36.

⁴³ "PS-15 al Jefe de la Oficina de Información," sin lugar o fecha. AGN, DGIPS, 321:64, 102.

Not all of the conspirators can be classified as wealthy elites. As with any organization, the mid-level operators were vital to day-to-day operations. Among these was Augusto Ibáñez Serrano. If Ibáñez held any proprietary interests in Mexico, the IPS record does not say. Arriving in Mexico in 1900 and naturalized in 1935, he kept an office in the Banco de Comercio.⁴⁴ On 10 March 1938, not long after the funeral, Mexican Foreign Secretary Eduardo Hay wrote to Ignacio García Téllez at Gobernación to inform him of the leadership among the Spanish right in Mexico, citing Ibáñez as the chief of the Falange.⁴⁵ The following day, Ibáñez figured largely in the Workers' Committee denouncement, where they described him as "frankly undesirable," perhaps in an effort to help with the wording of the expulsion decree that they believed would be forthcoming.⁴⁶

There was a tug-and-pull amongst the leadership of the clubby UNE and the hardcore Falange. In December of 1937, Ibáñez was of the opinion that the UNE lacked "spark" and Cayón y Cos had convinced himself that it would be necessary to align with the Falange.⁴⁷ In his letters to José Burgos in Sevilla, Cayón y Cos constantly complains about the UNE membership and their reluctance to supply funding freely. This represents a distinction between the UNE and the Falange. Although there are exceptions, the UNE's primary pursuits appear to have been propaganda and money-raising, whereas it was the Falange that engaged in activities that rose to the level of illegality in Mexico. In the same letter, Cayón y

⁴⁴ "PS-5 al Jefe de la oficina de Información," México, DF, 25Mar1938, AGN, DGIPS, 321:64, 114, & "Memorándum, Departamento de Gobernación," sin fecha, AGN, DGIPS, 321:64, 168.

⁴⁵ "Gral. Eduardo Hay al C. Sec. de Gobernación," México, DF, 10Mar1938. AGN, DGIPS, 321:64, 18.

⁴⁶ AGN, DGIPS, 321:64, 21.

⁴⁷ "Francisco Cayón y Cos a José Castedo," México, DF, 18Dec1937. AGN, DGIPS, 321:65, Tomo I.

Cos admits that for his part he “cannot see that the magazine can continue publishing, not only owing to the attitude of certain authorities, but on account of funding...” and in the same breath he avers that the propaganda effort could be extended throughout Latin America, which “very much lacks useful propaganda in support of Spain and against all that signifies communism.”

Among the others, Jacinto Rodríguez was a stock-trader observed by IPS. He had entered Mexico in 1926 (from where in Spain it is not known) and was presently employed by Centro Mercantil. Since 1931, he had managed a \$4000 account and retained \$240 a month.⁴⁸ In the midst of the Depression, these were not paltry sums and would certainly have been useful to Franquista fund-raising efforts. Rodríguez had attended Dosal’s funeral with the Gilberto Ruido García family.⁴⁹ Ruido García was originally from the Galician district of Orense, entering Mexico in either 1906 or 1908.⁵⁰ Here again, there appears to be some confusion in finite matters of detail in the IPS record, although in this case the confusion is on the part of the researcher rather than the agents collecting the information. This example highlights the problem of dealing with redacted documents (of which there are thankfully very few in the IPS archives.) According to one document, an internal IPS memorandum, it can be easily understood that Ruido García was a medical surgeon, having attained the rank of lieutenant colonel (“[Redacted] *Teniente Corl. Médico Cirujano*”), though it is not clear in what army.⁵¹ With the redaction removed, it becomes apparent that in reality he had been

⁴⁸ AGN, DGIPS, 321:64, 165. This was a worksheet for internal use by IPS.

⁴⁹ AGN, DGIPS, 321:64, 24-25.

⁵⁰ AGN, DGIPS, 321:64, 5 & 94.

⁵¹ AGN, DGIPS, 321:64, 164.

recommended by a lieutenant colonel who was a medical surgeon.⁵² In 1930, Ruido García had traded accusations of robbery with Adolfo Yáñez Zamora and in 1933 had made inquiries regarding naturalization. In the course of the March 1938 dragnet that followed Dosal's funeral Humberto Amaya, the head of IPS, noted in an inquiry to the dactiloscopic department that Ruido García had been implicated in the kidnapping of Spanish orphans in Morelia.⁵³ Of all the names appearing in the IPS rolls, Ruido García stands out for his checkered past. Ruido García was owner of New York Garage, a Mexico City gas station. In January 1938, the garage had burned down.⁵⁴

Another active leader in the Falange was José Celorio Ortega, who is merely linked to that organization by Foreign Secretary Hay, but cited by the Spanish Embassy as the "Director of the Falange, in direct contact with Franco and the German Embassy," The Embassy noted specifically that Celorio's listed postal code corresponded with that of the Falange.⁵⁵ The son of Spaniards from the Asturian city of Oviedo, Celorio was born in Toluca, DF, in 1906.⁵⁶ In spite of this, he claimed Spanish citizenship and had the Tarjeta Forma 14 required of foreign nationals in Mexico. Thus, the Mexican Government could have expelled Celorio had it wanted to. Celorio worked as the agent of a distribution company dealing in paper and graphic equipment, residing with his brother Constantino

⁵² "PS-7 al Jefe de la Oficina de Información," México, DF, 7Mar1938. AGN, DGIPS, 321:64, 5.

⁵³ "Humberto Amaya, Jefe de la Oficina de Información al C. Jefe del Depto. Dactiloscópico de la Jefatura de Policía," México, DF, 16Mar1938. AGN, DGIPS, 321:64, 85.

⁵⁴ AGN, DGIPS, 321:64, 94.

⁵⁵ AGN, DGIPS, 321:64, 18 & 91-93, respectively.

⁵⁶ "PS-13 al Jefe de la Oficina de Información," México, DF, 14Mar1938. AGN, DGIPS, 321:64, 89-90.

where the two maintained a car, not exactly common for the time. The IPS does not appear to take much interest in "the personal representative of Generalissimo Franco." Here the trail ends in March 1938. It was not until the investigation was resurrected a year later by the new Gobernación Secretary, Euquerio Guerrero, that further information on Celorio was collected. Inspector PS-17 was assigned to investigate both Celorio and Francisco Cayón y Cos.⁵⁷ It was at this time that the two volumes of material seized from Cayón y Cos were forwarded from Guerrero to the new head of IPS, Cipriano Arriola.⁵⁸ PS-17 promptly reported that Celorio was the "Regional Delegate of the Traditional Spanish Falange and JONS" (Junta of the National-Syndicalist Offensive) and as such is head of that organization. Those two organizations had merged in 1934.⁵⁹ Celorio and the Falange had, PS-17 reported, accrued human, financial, and military assets "to add Mexico to the Spanish Revolution." They had also engaged in "illicit traffic in money and correspondence."⁶⁰ Just as had happened a year earlier, at this point the investigation was dropped.

Among the polemicists, Antonio Gascón Hernández does not appear to have any link to those already described here; nor does he fit the pattern. He was college educated, having a degree from the University of Madrid, had been the director of the newspaper *Informaciones*, a correspondent in various other papers including *La Prensa* in New York, and was assigned as delegate of the Spanish (Republican) Government for negotiations with the Silk

⁵⁷ "Cipriano Arriola, Jefe de la Oficina, al C. Jefe del Departamento de Gobernación," México, DF, 14Mar1939. AGN, DGIPS, 321:64, 180.

⁵⁸ "Memorándum de Euquerio Guerrero, Jefe del Depto. de Gobierno," México, DF, 21Mar1939. AGN, DGIPS, 321:64, 178.

⁵⁹ Hugh Thomas, *The Spanish Civil War* (New York: Harper & Row, 1977), 114.

⁶⁰ "PS-17 al Jefe de la Oficina de Información Política y Social," México, DF, 20Mar1939. AGN, DGIPS, 321:64, 179.

Committee of the Industrial Ministry in Mexico.⁶¹ He entered Mexico with his wife and ten year old son via Laredo, Texas, on 18 April 1937, a mere two months before Franco's rising. According to PS-7, Gascón was *falsely* linked to Indalecio Prieto by the Madrid paper *Informaciones*.⁶² Here it becomes necessary to confront the internal politics of Spain. Indalecio Prieto and Largo Caballero had been at the head of the by-now venerable Unión General de Trabajadores (UGT) in Spain that had broken with the Bolsheviks in 1920. In 1934, the UGT held a dominant position in the Asturian mines and it was here that the UGT, by direction of Prieto and Caballero, collaborated for the first time with the CNT (Confederación Nacional del Trabajo). This collaboration took the form of fomenting an October revolution in order to (among other reasons) prevent "the lay Jesuit" José María Gil Robles from entering the government. The revolt of the Asturian miners was among the most important events linking the end of the Primo de Rivera dictatorship in 1931 to the beginning of the Spanish Civil War in 1936. Once the civil war was underway communists had re-penetrated the UGT and – again in league with the CNT – it was instrumental in a new collectivization of land in Republican held territory.⁶³ What PS-7 appears to be insinuating by saying that Gascón was falsely linked to Prieto is that Gascón had been able to establish Republican bona fides by linking himself to the labor leader.

⁶¹ Informe interna, sin fecha, AGN, DGIPS, 321:64, 164. Silk is sometimes used in munitions such as powder bags in naval gunnery; therefore it *may* be regarded as war matériel. Furthermore, at this time the global supply of silk faced a significant disruption owing to the Japanese invasion of China proper.

⁶² "PS-7 al Jefe de la Oficina de Información Política y Social," México, DF, 9Feb1938 [sic, 9Mar1938]. AGN, DGIPS, 321:64, 2-3.

⁶³ Thomas, 39-41, 133, 138 & 293-294.

What is most unique about Gascón in relation to other Franquistas is that he came to Mexico at such a late date. If his connection to Prieto was not sufficient enough a credential, Gascón also came to Mexico recommended by Colonel Adalberto Tejeda,⁶⁴ a faithful member of the Mexican foreign service who had done yeoman-like work procuring arms for Republican Spain while in Paris and would later be the key to the success of the Mexican program to grant refuge to Republican exiles after the Spanish Civil War and during the term of the Vichy Government. Many who did not escape Vichy died in concentration camps. Tejeda's recommendation would have been quite valuable, making Gascón's revolutionary (Mexican) bona fides at least as good as his Republican (Spanish) ones. On 5 March, PS-7 reported, Gascón authored a piece in *Universal* attacking both the Spanish and Mexican governments. He had been known to have written under various pseudonyms such as "Capitán Veritas," "Licenciado Juan López," and "Teniente Coronel Mariscal," but the *Universal* piece was under his real name. On 16 March he was included in the Spanish Chargé's letter to the head of IPS.⁶⁵ He had been expelled from the Embassy for treason and was considered a deserter for shirking his responsibility to return to Spain. Having established that Gascón was a collaborator with the fascist press, the Embassy also believed that he was working on a book against the Embassy and President Cárdenas, exposing arms shipments from Mexico to Spain in the process. "He should not be in Mexico," the Embassy averred. PS-7 thought that Gascón had gone to Acapulco to start a magazine.

⁶⁴ "PS-7 al Jefe de la Oficina de Información Política y Social," México, DF, 9Feb1938 [sic, 9Mar1938]. AGN, DGIPS, 321:64, 2-3.

⁶⁵ AGN, DGIPS, 321:64, 91-93.

Braulio Suárez was another polemicist, one whose social position fairly closes the circle of this analysis. Brother-in-law of Francisco Cayón y Cos,⁶⁶ Suárez was in both the Workers' Committee denunciation of 11 March and the Spanish Chargé's letter of 16 March. The denunciation is far more colorful, describing Suárez as "illiterate, brash, shameless, with multiple precedents as a trickster and a con man...Undesirable in equal parts for his subversive activities and his criminal conduct."⁶⁷ The Embassy, on the other hand, emphasized his ownership of *Diario Español* and his fascist activities.⁶⁸ IPS did little more than verify his immigration status as legal.⁶⁹ Although Suárez owned *Diario Español*, IPS also investigated Jesús Díaz de la Fuente, who 1938 was regarded as the director of the daily.⁷⁰ Díaz was known to have been a *zacatón* root salesman in 1930. He brought his servants with him to Mexico that year. In 1937, Díaz had paid the hefty sum of \$1000 so that his servants might gain legal immigration status.

These were not the only Franquistas working in Mexico at the time; they are merely the ones that I have selected by virtue of their apparent prominence. There was an equally extensive network in the oil refining port of Tampico. Reports indicate that the Tampico cell was more closely linked to the Germans, which stands to reason given that Tampico is a port city. For example, by its ad in *Vida Española* the Heynen-Eversbusch travel agency booked

⁶⁶ Unless Cayón y Cos was a widower, this means that Suarez was married to his sister. Cayón y Cos is listed as single by the IPS.

⁶⁷ AGN, DGIPS, 321:64, 21. In Spanish: "Analfabeto, audaz, desvergonzado, con múltiples antecedentes de chantagista [sic] y estafador...Indeseable igualmente por sus actividades subversivos y su conducta delictuosa."

⁶⁸ AGN, DGIPS, 321:64, 91-93.

⁶⁹ AGN, DGIPS, 321:64, 168.

⁷⁰ Enrique Figueroa, "Jesús Díaz de la Fuente," [memo], México, DF, 25Mar1938, AGN, DGIPS, 321:64, 136-137 and "Cuarto Aniversario de Diario Español," *Diario Español*, 28Feb1938, in AGN, DGIPS, 321:64, 121.

departures from Tampico and Veracruz aboard the Nord Deutscher Lloyd lines, with service to Cuba and Spain, as well as Germany, France, and England.⁷¹ However, the leadership was in Mexico City and it was the leadership who controlled the purse-strings. The Spanish colony there, as has been shown, was comprised of wealthy elites. Some, such as Ismael Vega, “political uncle” of the dead leader of the Falange, and Pedro Pérez Fernández, the other individual presiding over the funeral proceedings at the Panteón Español, were not part of the March 1938 investigation. Ángel Urraza, head of Euskadi Rubber, Jaime and José María Arechederra, of La Carolina, and Francisco Cayón y Cos, of Compañía Transatlántica Española underwent a cursory investigation in March of 1938. A year later, Cayón y Cos underwent more significant scrutiny, including having some of his personal papers confiscated – enough to comprise two volumes.

Ibáñez Serrano was central to operations. He and Jacinto Rodríguez maintained offices in commercial houses. Rodríguez’s companion at the funeral, Ruido García, maintained a garage. Celorio adopted the modest residential cover of his brother’s shoe shop, but his position as a distributor of paper and graphic arts supplies was of use in spreading propaganda. Gascón came from a publishing background in Spain and was now either a rogue freelancer in Mexico or an agent dispatched by Franco’s SIM (Servicio de Investigación Militar). The report by agent PS-7 makes no effort to determine this, but merely points out that Gascón is not who he claims to be. Braulio Suárez and his brother-in-law Cayón y Cos took advantage of their privileged positions to write much of the material put to use by Franco’s propaganda organs. The operators and polemicists were a more visible

⁷¹ [Aviso], AGN, DGIPS, 321:64, 61.

aspect of Franco's efforts, though this will only become apparent when their activities are studied.

Chapter 3 – Franquista Activities in Mexico

The network described in the previous chapter was dedicated, above all, to fund-raising activities in support of Francisco Franco. Propaganda was a vital part of these efforts. The fund-raising aims of the propaganda were accomplished in two ways: first, by keeping members of the Spanish colony in Mexico City apprised of events in Spain and motivated to donate money; second, by publicizing successful fund-raising efforts elsewhere in Latin America, thereby shaming the colony in Mexico City into contributing additional funds. These were not mere handbills. *Vida Española* was a monthly magazine printed on glossy paper and featuring color graphics on the cover. Inside it was replete with photographs on nearly every page, extensive editorials, and even more extensive advertising. Its reportage on the events in Spain included coverage of the major battles, exposés on the latest Republican atrocity, and polemical attacks on prominent individuals within the Republican Government, as well as occasional shots at international leaders on the left such as Léon Blum. Nationalist military leaders were glorified, as was Calvo Sotelo, martyr of the Carlists at this time. The magazine was produced entirely in Mexico City and it could not have been cheap to do so. According to Schuler, the Falange spent forty thousand pesos a month on propaganda.⁷² Although these propagandist activities were out in the open, behind the scenes the network was engaged in fixing passports and possibly shipping arms. As the details of these operations become clear, one can see how the pigeon-holing of the various members of the

⁷² Schuler, 136.

network begins to break down. However, that is not to say that there was a lack of coordination or duplication of effort. It is apparent that there was a high level of control and coordination, with Francisco Cayón y Cos and Augusto Ibáñez Serrano at the center of operations.

There was ample opportunity for all of these Franquistas, each contributing to the cause in his own way, to exchange information. The Casino Español, located at Isabel la Católica 29, had long been a haunt of the elite among the Spanish colony. This was the nerve center of the Franquista network. A 1931 investigation, in response to the Casino's application for renewal of a permit, contains a description.⁷³ The Casino offered dominoes and billiards downstairs, poker and other card games (*tute*, *paco*, and *trecillo*) upstairs. It also featured a restaurant, cantina, and library. The Royal Spanish Club (Real Club España) also kept a room on the premises, indicating a strong Carlist element. When it came time to celebrate Franco's victory on 2 April 1939, the Spanish colony held the celebration at the Royal Spanish Club in the Casino Español.⁷⁴ American intelligence arrived three years late to the party, noting in 1942 that the Falange had "succeeded in gaining direction of nearly all the Spanish casinos, clubs, commercial houses, and even the Spanish benevolent organizations."⁷⁵

⁷³ "El Agente No. 13 al C. Jefe del Depto. (Confidencial)," México, DF, 10Feb1931. AGN, DGIPS, 62:15, 50.

⁷⁴ Schuler, 142.

⁷⁵ Navarro, 125 & 126n13. This was a 21Feb1942 memo by the Coordinator of Inter-American Affairs.

Seven years after the 1931 report, in March 1938, PS-11 reported on the Casino Alemán, Centro Vasco, and Casino Español.⁷⁶ He reported political activity at all these centers, but gave special notice to the UNE, which had “made common cause with (*se ha formado con*) distinct Fascist elements; Requetés, Falangistas, Nationalists,” including José Celorio, President of the Falange, who had abandoned his residence but remained in contact with these groups. PS-11 had knowledge that they sometimes held back-room meetings at the discount store La Galatea. In addition, and independent of PS-11’s report, this *was* the 1930s and there was no shortage of cabarets and bordellos to host back-room meetings. Also among the documents is an investigation into the immigration status of cabaret owner Sabino Cermida García, who had been in and out of the penitentiary, deported under Article 33, and reentered the country illicitly.⁷⁷

As one can see, the members of this Spanish colony were well to do, running in professional circles. Through social gathering places frequented by these elements, they were able to maintain a network and get things done in as inconspicuous a manner as possible. However, that is not to say that they were operating underground. A great deal of their work, above all propaganda, was out in the open. Nevertheless when engaged in activities that would be most harmful to their immigration status, these watering holes provided an innocuous alibi.

⁷⁶ “PS-11 al Jefe de la Oficina de Informaciones Política y Social,” México, DF, 16Mar1938. AGN, DGIPS, 321:64, 17.

⁷⁷ “PS-7 al Jefe de la Oficina de Informaciones,” México, DF, 7Mar1938, AGN, DGIPS, 321:64, 5.

The raising of funds to support the Nationalist effort was perhaps the most utilitarian aspect of the Franquista network. Behind the colorful language, fundraising is central to the Workers' Committee's *denuncio*. According to the Committee, these Franquistas were "biting the hand that [fed] them." In other words, they were taking advantage of Mexican hospitality. Although Ibáñez led the list of fundraisers, the *denuncio* ended with a list of twenty-five names classified as "other fascists and financial contributors" in Mexico City and twenty-one from Tampico, the primary port of Mexico's oil exportation.⁷⁸ According to IPS records that predate the Committee's *denuncio* by three days, José Celorio had been working for a man by the name of Baldomero Álvarez, who had raised \$11,000 for Franco and absconded to Spain.⁷⁹

That very same day, Javier de Aznar was writing from Burgos, Franco's Nationalist headquarters in Spain, to thank don Gonzalo Martínez, Delegate of the Spanish Red Cross in Mexico for his work in collecting and forwarding funds.⁸⁰ This letter had been intercepted by Republican authorities and about a month later the Spanish Chargé d'Affaires in Mexico City was forwarding a transcription to Ignacio García Téllez, the Mexican Secretary of Gobernación, attached to an itemized list of said contributions which totaled U.S. \$931.24. The money had been forwarded to Burgos via the Adolfo Determann-Hamburg Freinafen

⁷⁸ AGN, DGIPS, 321:64, 19-23 & 83-84. It should be understood that the focus of this thesis is on the Spanish colony of Mexico City. An equally large thesis could be written on the community in Tampico.

⁷⁹ "PS-13 al Jefe de la Oficina de Información," México, DF, 8Mar1938. AGN, DGIPS, 321:64, 13.

⁸⁰ "Javier de Aznar a Ilmo. D. Gonzalo Martínez," Burgos, España, 8Mar1938. DGIPS, 321:64, 120.

agency.⁸¹ Aznar's letter refers to Martínez's letters numbers six and seven. Therefore there must have been a number of such transactions, though how many cannot be known.

Bracketing the Chargé's information regarding the Red Cross were yet more complaints regarding Suárez's *Diario Español* and Cayón y Cos's *Vida Española*, which were continuing to spread propaganda against the Republican Government, which of course the Mexican government was supporting.

Vida Española had already been trumpeting the success of similar (though unbelievable) fundraising efforts in Cuba. Among the IPS files is an article from that magazine, praising the contribution of 40 million dollars by the Spanish colony in Cuba to Franco's cause. This article included a reprint of a 20 August 1937 letter written at the behest of the Generalissimo himself, Francisco Franco, thanking the President of the Spanish Nationalist Committee in La Habana, Elicio Argüelles, for his good work. *Vida Española* followed the re-print with an attempt to shame the Spanish colony in Mexico City, asking "What do you think, the majority of wealthy Spanish residents of Mexico, who hope to end the war by demonstrating your 'heroic patriotism' by a cable of good wishes?"⁸² These money-raising schemes, in Mexico, Cuba, and throughout Latin America, point to a deficiency in current scholarship on Franco, Nationalist Spain, and its relationship to Latin America. How much money was raised for Franco? Which Latin American nations were Franco's strongest financial supporters? Which were the weakest? Although there can be no

⁸¹ "José Loredó Aparicio, Encargado de Negocios de España al Excmo. Señor D Ignacio García Téllez, Secretario de Gobernación" México, DF, 6Apr1938. AGN, DGIPS, 321:64, 118-119.

⁸² "Cuarenta Millones de Dólares," *Vida Española*, fecha desconocido. AGN, DGIPS, 321:64, 30.

argument as to the centrality of this issue, it is obviously not a central question, nevertheless answers to these questions could give greater knowledge to political attitudes and positions of strength and weakness in both the pre- and post-war political environment in Latin America, measured in terms of both money and enthusiasm.

Obviously, financial support of the Nationalist government in Burgos was foremost in the minds of its most zealous proponents within the Spanish colony, not only in Mexico but throughout Latin America. Unfortunately for the Mexican government, the Spanish Embassy's transcription of the letter regarding donations through the Red Cross gave its recipient little to go by. Individual subscribers are not listed appurtenant to the amounts, nor is it apparent whether this was a slush fund for Franco's military efforts or genuine subscriptions to support the Red Cross on the Nationalist side of the lines. Not only does the Embassy fail to provide any supporting documentation or further direction, but the letter concludes with a pathetic complaint about crank telephone calls that have been received at the Embassy, asking that the Mexican government do what it can to make them stop.

Two IPS documents link Ibáñez, Celorio, and Gerardo Ansoleaga, an employee of Euskadi, to fundraising efforts and passport fixing schemes, representing an even more direct manner of aid to Franco. On 25 March 1938, PS-5 filed a one page brief on Ibáñez and Ansoleaga.⁸³ It was now revealed that Ibáñez had been naturalized as a Mexican citizen on 24 December 1935. It will be recalled that the Arechederra brothers had also been naturalized in September of that year. Thus there were at least three members of the network who, by

⁸³ "PS-5 al Jefe de la Oficina de Información," México, DF, 25Mar1938. AGN, DGIPS, 321:64, 114.

virtue of their naturalization, could not have been expelled from Mexico. Ibáñez had been going back and forth from his office in the Banco de Comercio to the Portuguese Legation, securing passports by the latter institution. Every night, between seven and seven-thirty, Ibáñez delivered the *Boletín Franquista* to the Casino Español. He had still been observed frequenting La Galatea, a "commercial house (*Casa Comercial*).” (La Galatea had previously been reported to be a discount store, i.e., “*comercio de abarrotes*.”) The proprietors of La Galatea, the Marcha brothers, were known sympathizers of Franco and according to PS-5 their establishment was a regular meeting site “for those who do not sympathize with Azaña.” Since attempting to sway the Chamber of Deputies and making that known in the Mexico City press, Ibáñez had by now “ceased these activities and now proceeds very cautiously.”

As for the Euskadi employee, Gerardo Ansoleaga, he had been receiving instructions from Ángel Urraza. According to PS-5, Ansoleaga was a “very good friend of Urraza.” Ansoleaga had been seen frequenting the Centro Vasco and had been appointed to lead a commission to raise funds for Franco, by Urraza’s direction. Basque himself, Gerardo Ansoleaga y Eguía was born in Algerza, Vizcaya in 1886; he had entered Mexico in 1904.⁸⁴ However, since publicizing such activities developed by the UNE, PS-5 was of the opinion that “those individuals now lay low and have suspended their old activities, dedicating themselves to their real jobs.”⁸⁵

⁸⁴ “PS-13 al Jefe de la Oficina de Información,” México, DF, 8Mar1938. AGN, DGIPS, 321:64, 7.

⁸⁵ In Spanish: “*estos individuos se cuidan mucho y han suspendido sus antiguas actividades, dedicándose actualmente a sus trabajos comerciales.*”

Subsequent inter-office memos are not consistent with this final analysis. In the Centro Vasco (Basque Center), Urraza is said to have given funds to thirty Spaniards, so that they may "unite with franco [sic]" on 2 or 3 April, leaving on Iberian Airlines, carrying German and Italian passports.⁸⁶ Furthermore, in what appears to be IPS Chief Humberto Amaya's personal worksheet (it bears handwritten scrawls written in the margins summarizing agent reports), Ibáñez is listed as arranging passports with both the Portuguese and Italian Legations, through the Agencia Comercial y Marítima.⁸⁷ This is consistent with the Workers' Committee *denuncio*, but it bears noting that that allegation was not crossed out on this document, thus representing a continuing working theory of Amaya's. Two names down from Ibáñez appears the typewritten name of José Celorio, "Chief of the Falange Española." Handwritten below that is "Baldomero Álvarez, Jefe Falange Española," and directly below that is scribbled "Gerardo Ansoleaga, PS-5." Álvarez, it will be recalled, had been denounced by FROC in 1936, raised \$11,000 for Franco, and left for Spain.⁸⁸

Obviously, at this early point in time the focus among the Franquistas was on supporting Franco in Spain. Portuguese and Italian passports were being used to funnel personnel into Spain. These numbers were so small that their purpose must have been for reasons other than mere fighting on the front lines otherwise it would not have been worth the trouble to engage in illegal activity to get them there.⁸⁹ Later, it would become questionable whether support of Franco remained the focus. Particularly once the Second

⁸⁶ Memo de oficina sin encabeza, lugar, o fecha. AGN, DGIPS, 321:64, 153.

⁸⁷ AGN, DGIPS, 321:64, 164-167.

⁸⁸ *Supra voce*, 15-16 & 33.

⁸⁹ Hugh Thomas estimates that the number of "Latin Americans and White Russian exiles and others... could not have been more than 1,000 at most." He puts the number of Mexicans fighting in Spain for the Republic at ninety. Thomas, 980 & 984.

World War was underway, there was cause for concern that the network established by Franco was still working exclusively for Franco, or instead working as a proxy for the Axis in Latin America.⁹⁰ The ability to arrange false passports, thereby facilitating trans-Atlantic travel of human intelligence assets, would have been an important means regardless of the end.

What is becoming clear is that there was a healthy level of coordination between these various 'cells,' if one might call them that. Amaya's worksheet indicates an effort on his part to firm up linkages between individuals. These linkages become more apparent when taking a direct look at Cayón y Cos's magazine, *Vida Española*. The propaganda content of this magazine is nothing unusual. It conveys the fascist version of events in Spain, commentary on the state of international affairs, religiously-themed articles for old Spanish widows, and even social pages and movie reviews. The *latifundista* and *hacendado* market is catered to by articles on the latest advances in cattle ranching and other agricultural pursuits. Beyond the content, the most useful information for the purposes of this investigation, within IPS's samples of *Vida Española* spanning 1936 and 1937, is found in the advertising.

Among the advertisers in *Vida Española* are Tabacalera Mexicana, Garage New York (where, per the advert, one might purchase Goodrich Euskadi tires), La Carolina textile factory, Francisco Cilveti y Cía., La Agencia Comercial y Marítimo (Heynen, Everbusch, y Cía.), José Álvarez's La Vidriería de Monterrey, Euskadi tennis shoes, and the ubiquitous Sanborn's.⁹¹ In another right-leaning magazine, *Voz Nacional*, which appears to have been

⁹⁰ Sub voce, 70-71.

⁹¹ AGN, DGIPS, 321:64, 30, 34, 36, 39, 45, 48, 52 & 66.

established to support the presidential campaign of the Mexican politician (and of course former general) Juan Andreu Almazán, one may find advertisements for Goodrich, La Comercial insurance, Banco General, National City Bank of New York, and Cervecería Modelo.⁹² *Vida Española* not only supported Francisco Franco, it praised the sacrifices of Germany and Italy at his side.⁹³ Therefore, every company who paid to advertise in *Vida Española* knew that they were supporting Franco financially, knew that they were promoting Hitler and Mussolini in the process, and, most importantly, they knew that in so doing they were making a political statement in opposition to the foreign policy of the Mexican government loud and clear. The summation of advertisers provides a firm link of coordination on the part of the Spanish colony in Mexico City in support of Franco.

We have seen that Garage New York was owned by Ruido García, under IPS investigation and implicated by the head of IPS in a kidnapping ring; La Carolina had ties to both the Noriega and Arechederra clans, the latter under direct investigation and the former by association with Cayón y Cos; Francisco Cilveti was listed by *Diario Español* as in attendance at the Dosal funeral; Agencia Comercial y Marítimo was implicated in a passport-fixing ring – Everbusch we will hear from again very soon; Euskadi was owned by Ángel Urzaa, under investigation for passport-fixing as well. A vital question that will need to be answered is whether or not these people had suspended their old activities and were now lying low, as PS-5 thought.

⁹² *Voz Nacional*, 3 de agosto de 1939 (época 2, número 1) AGN, DGIPS, 4:14, 46, 49, 51, 52 & 61. This magazine was, according to its own editorial board listing within its pages, registered with the government in June 1939 (AGN, DGIPS, 4:14, 54).

⁹³ AGN, DGIPS, 321:64, 71-74. This is an untitled photo essay with some accompanying text.

In the Banco de Comercio, where Ibáñez Serrano's office could be found, one might also find the insurance company La Comercial, S.A. Their advertisement appears in the 3 August 1939 copy of *Voz Nacional*, a Nationalist paper aimed at the Mexican public. By now the politicking had begun preparatory to the 1940 election. *Voz Nacional* was promoting Juan Andreu Almazán, the conservative challenger to Cárdenas's candidate, Manuel Ávila Camacho. La Comercial's board of directors was led by Salvador Ugarte, president of Banco de Comercio, with don Hipólito Signoret of El Palacio de Hierro and don Jesús Rivero Quijano of Atoyac Textil serving as vice-presidents.⁹⁴ Rivero Quijano was a good friend of Cayón y Cos; his name and that of Atoyac appears often in the correspondence with Pío Noriega. This same issue contains an advertisement for B.F. Goodrich automotive belts.⁹⁵ B.F. Goodrich, it will be recalled, had the subsidiary agreement with Urreaga's Euskadi.

In summary, we find La Comercial advertising in *Voz Nacional*; the chairman of the board, Ugarte, is president of the parent company, Banco de Comercio; it is within this bank that Ibáñez maintains an office; and another member of the board of La Comercial, Rivero Quijano, is in close correspondence with Francisco Cayón y Cos. This contrasts sharply with agent PS-5's March 1938 assessment that Franquistas within the Spanish colony were lying low and "dedicating themselves to their real jobs." Rather, in little over a year they had gone beyond merely supporting Franco in the Spanish Civil War to attempting to influence the outcome of the 1940 presidential election in Mexico, and this at a very early date in the pre-election campaigning.

⁹⁴ Anuncio, *Voz Nacional*, 3Aug1939, 8. AGN: DGIPS, 4:14, 48.

⁹⁵ Ibid., 2. AGN, DGIPS, 4:14, 46.

Returning to Cayón y Cos, he was not satisfied with propagandizing in Mexico. In May 1938, he turned his attention to the United States, reaching out to “an old friend...to see if it is possible to publish there a magazine in defense of our Holy Cause and the great (*inmenso*) Franco.”⁹⁶ Six days later he was writing this friend, F.V. Bustamante, advising him to seek out a particular issue of Father Coughlin’s *Social Justice* dealing with the Spanish question and enquiring as to the feasibility of publishing an “exclusively Spanish” magazine.⁹⁷ It is not known whether Bustamante was able to launch such a magazine, but the IPS records indicate that he did embark upon a speaking tour, preaching to the Spanish choir at the Casa de España in New York.⁹⁸ Again, this effort, like the establishment of *Voz Nacional*, extends beyond an attempt to build enthusiasm for Franco within the diasporal Spanish community. Rather, the propaganda is directed at the citizenry of the host country. Where Mexico was concerned, Pío Noriega had no illusions about the prospect of such propaganda having a positive effect. “It is not worth the pain, the work, and the risk,” the old Porfirian *latifundista* warned Cayón y Cos. “Mexico is an enemy country.”⁹⁹

Long before this exchange with Noriega, on 18 November 1936, Cayón y Cos had participated as a founding member of the Spanish Anti-Communist and Anti-Jewish

⁹⁶ “Francisco Cayón y Cos a José G Burgos,” México, DF, 6May1938. AGN, DGIPS, 321:65, Tomo I.

⁹⁷ “Francisco Cayón y Cos a F. V. Bustamante,” México, DF, 12May1938. AGN, DGIPS, 321:65, Tomo I.

⁹⁸ “Discurso Pronunciado por El Sr. F.V. Bustamante con Motivo de la Fiesta Celebrada el 2 de Mayo de 1938 en la Casa de España de Nueva York en Conmemoración del Primer Aniversario de su Fundación,” AGN, DGIPS, 321:65, Tomo I.

⁹⁹ “Pío Noriega a Francisco Cayón y Cos,” Villa de Higeras, NL, 8Dec1938. AGN, DGIPS, 321:65, Tomo I.

Association (AEACAJ) and was named Secretary-General.¹⁰⁰ This was a social organization whose aim was to combat “by all legitimate and legal means” the communist system, as well as (“*igualmente*”) Judaism, “inspirer of communism.” Jewish communism would be opposed “within and without” Mexico, “energetically and definitively, that it may not realize its aim to displace the legitimate economic and cultural Spanish influence in America, especially in Mexico.” This was not a democratic association, as members were to “submit without discussion to the resolutions and mandates of the *Junta Directiva y Asamblea General*.” They were to “preserve (*conservar*) the names of the members of the *Junta Directiva* as an unbreakable secret, under pain of expulsion and castigation.” These statutes were conveyed to General Franco for his approbation in May 1937.¹⁰¹ Franco was also apprised of the new publication, *Vida Española*. Cayón y Cos assured the general that the Spanish colony in Mexico City was ninety percent rightist and that it “would be unjust, and inexact besides, to judge the Spanish colony by a few illiterates.” He went on to complain that the Embassy was free to expound its views whereas “we are prohibited from expounding ours, nor commenting on theirs, without imminent exposure and the sure danger of being expelled.” In spite of this, Cayón y Cos claimed that among the Mexicans “the middle class, lawyers, doctors, engineers, businessmen, the same public officials, and even the majority of the National Army are decided partisans of VE [*Vida Española*].” He went on to pay a special tribute to the National Union of Veterans of the Revolution (UNVR).

¹⁰⁰ AGN, DGIPS, 321:65, Tomo I.

¹⁰¹ “Francisco Cayón y Cos al General Francisco Franco, Jefe del Estado Nacionalista Español,” México, DF, 3May1937. AGN, DGIPS, 321:65, Tomo I.

Among Cayón y Cos's effects is a manifesto published by the UNVR dated June 1936. Claiming 100,000 members, this veterans' union proposed the following resolutions:

(1) oppose vigorously the communist movement and the inculcation of its ideas in the schools of children and the entire educational program; (2) The anti-communist campaign will, for the time being, be the principal activity of this National Institution and, by the same, the movements of communists in the Republic will be monitored to combat them, within the Law... (3) The UNVR offers its cooperation and assistance to all Organizations...locked in struggle with Communism or with whatever movement of a subversive character; (4) The UNVR is not Fascist, nor Hitlerite, but Nationalist, and as such will oppose any Nazism, Fascism, Communism, or whatever doctrine contrary to the fundamental principles of Democracy...in all the Americas; (5) the UNVR will...join all Groups on the American Continent who have this ideology to form a UNITED CONTINENTAL FRONT against Communism.¹⁰²

Whether Cayón y Cos was actively coordinating with this group or merely approved of its resolutions is not clear from the archival evidence. Friedrich Schuler considers the coordination between the Falange and the UNVR to have been established for certain by 1937.¹⁰³ The presence of the booklet (June 1936) in Cayón y Cos's papers, and the consistency of the rhetoric with the founding documents of the AEACAJ (November 1936), indicate a genesis a year earlier. This is not without its significance, for it places the date at the beginning, rather than the middle, of the Spanish Civil War.

¹⁰² AGN, DGIPS, 321:65, Tomo I.

¹⁰³ Schuler, 78.

Among the most curious documents in the IPS files is a 1938 letter found in Cayón y Cos's possession. It bears no signature, but is addressed to G. Greco & Co., 1616 Powell Street, San Francisco.¹⁰⁴

In response to your estimate of 23 February, I have the pleasure of giving you my order of 40 cases of limes.

The limes that we require should be "GREEN and of MEDIUM SIZE."

Ship the limes by the Grace Lines steamer that calls on Manzanillo. Please verify with the Grace Lines agents when the next steamer arrives in that port. Please let me know if you intend to take the request and if not you must give it to another person.

Invoice Bank of America, Columbus Branch, San Francisco, Cal., for your payment.

NOTE: REPLY IMMEDIATELY BECAUSE I AM AWAITING NEWS FROM YOU.¹⁰⁵

The shipping of limes from a *northern* California port to Manzanillo, a Pacific coast port in Mexico that produces enough limes on its own, is suspicious in itself. Asking that the limes be green is equally strange. Yet it is impossible to know what the real intent of the letter is. The geographical placement of Manzanillo may have some significance.

¹⁰⁴ This company still has various listings on the internet at this writing.

¹⁰⁵ "Carta al G Greco & Co.," 26Feb1938. AGN, DGIPS, 321:65, Tomo I.

This would be a good place to revisit the polemicist Antonio Gascón Hernández, who had betrayed the Republic and absconded to Acapulco, another Pacific coast port.¹⁰⁶ Gascón could not have chosen a better hiding place. As early as 1935, U.S. intelligence had become concerned by signals intelligence indicating that Japan was using the fishing fleet on Mexico's Pacific coast to monitor U.S. naval traffic between the Panama Canal and California.¹⁰⁷ Japanese agents on Mexico's Pacific coast were not uncommon.¹⁰⁸ In 1937, Mexican Sinarquistas (rural fascists) approached the German consulate in Mazatlán, another Pacific port, to request that airplanes and ammunition be delivered by submarine for the purpose of "fighting Jews and Bolschewists (sic)" after having been turned down by the Japanese and Spanish.¹⁰⁹ German intelligence assets also made use of Pacific ports, and the Japanese, when necessity required. In August 1940 Abwehr agent Karl Berthold Franz Rekowsky, a former Mexican representative of German oil company Reichstelle für Mineraloel, met IRA representative John McCarthy in Acapulco to plot sabotage in the United States. The following April another Abwehr agent, Friedrich Karl von Schleebrugge, fled Mexico by boarding the *Heiyo Maru* in Acapulco, bound for Vladivostok, when he feared that his cover had been blown. In September 1941 yet another Abwehr agent, Max

¹⁰⁶ Supra voce, 26-27.

¹⁰⁷ Paz Salinas, 172-173.

¹⁰⁸ Japanese sources confirm this. In 1941 Navy Commander Wachi Tsunezo was managing such a signals intelligence operation, as well as working a deal through a Mexican general, with whom he had made contact through a Mexican banker, to acquire ninety tons of mercury, of use in both bomb fuses and salt-resistant electrical switches (such as are found in thermostats). Even after Pearl Harbor, Wachi was in Mexico conveying information relating to the Arcadia Conference, gleaned from the Army-Navy Club in Washington, both by direct air mail and via Buenos Aires, to Tokyo. John Toland, *The Rising Sun: The Decline and Fall of the Japanese Empire, 1936-1945* (New York: Modern Library, 2003) 161-162 & 257.

¹⁰⁹ Schuler, 78.

Weber, boarded the *Heiyo Maru* in flight, this time in the port of Manzanillo.¹¹⁰ This route of communication had been enhanced due to Mexico's oil expropriation in 1938 and the Nazi-Soviet Pact of 1939. For a brief period of time, it was by the Acapulco-Vladivostok route that Mexico exported oil to Germany, thereby evading the Royal Navy's blockade in Japanese bottoms and on Soviet rails.¹¹¹ It was within this environment that Gascón was fleeing from the Spanish Embassy and certain prosecution and that Cayón y Cos was making a mysterious order of "limes" to Manzanillo.

There is a similar letter from Cayón y Cos to Agencias Unidas de México. Here Cayón y Cos explains a conversation he had with Richard Everbusch, head of the German Chamber of Commerce,¹¹² regarding the export of "CASCALOTE." *Cascalote* is a desert shrub. Cayón y Cos asked if it might be possible to increase the concentration of "TANNON" in the cascalote from thirty to sixty percent which would reduce the material to be transported.¹¹³ *Tannon* is simply nonsense. Neither letter proves anything, but the

¹¹⁰ Leslie B Rout, Jr. & John F Bratzel, *The Shadow War: German Espionage and United States Counter-Espionage in Latin America during World War II* (Frederick, MD: University Publications of America, 1986), 69-70 & 77-79. It had been McCarthy who put the Abwehr in contact with IRA operative Seán Russell. In August 1940, Russell and Frank Ryan boarded *U-65* to be landed in Ireland in order to put into operation Plan Kathleen, an imitation of Sir Roger Casement's treasonous expedition of the First World War. The operation was scuttled when Russell dropped dead aboard ship due to a stomach ailment. There is a Spanish connection here, too, as Ryan had been head of the Irish Brigade in the Spanish Civil War. He had 'escaped' from Burgos Prison. He appears to have needed little encouragement from the SIM to fight George VI rather than Franco. Lawrence Patterson, *Second U-Boat Flotilla* (Barnsley: Leo Cooper, 2003), 60-61.

¹¹¹ Rout & Bratzel, 54.

¹¹² Friederich Schuler, 138. Everbusch, it will be recalled, was a principal of the parent company of La Agencia Comercial y Marítimo. *Supra voce*, 38.

¹¹³ "Francisco Cayón y Cos a Agencias Unidas de México, S.R.L.," México, DF, 20Apr1938. AGN, DGIPS, 321:65, Tomo I.

suspicious nature of each – first worrying that limes be green, next that the load-weight of shrubs be reduced – and their presence in the IPS files ought to be noted.

About six weeks after ordering the “limes,” and two weeks prior to the letter regarding *cascalote*, Cayón y Cos wrote to the Archbishop of Sevilla that in Mexico “we are contemplating the parallelism that exists between those achievements in the beginning of 1936 and those that are developing here in this country, as is also happening in France and even in the democratic Republic of the United States.”¹¹⁴ Perhaps it was this “parallelism” that Cayón y Cos had in mind the previous summer when he wrote to Monterrey that “the future is an ugly color, but I have the hope that it has to brighten very soon and very completely. *There is much subterranean movement* [emphasis added] and there are many people who are not disposed to be run over by events (*dejarse arrollar*).”¹¹⁵

There was at this time some confusion on the part of Cayón y Cos and Pío Noriega as to the direction that Franco’s policies were taking. In December 1937, Noriega jotted a quick note to Cayón y Cos, suggesting that it “might be convenient to have conferences with the ministers of Japan, Italy, and Germany, asking for solidarity in defense of Spanish interests in Mexico, which are exposed to confiscation, summary (*previa*) expulsion, or assassination of its leaders.”¹¹⁶ At the same time, Noriega was disappointed that Franco was talking to the English and French. “The German, Nippon, Italian pact would have,” he thought, “decisive

¹¹⁴ “Francisco Cayón y Cos al Emmo. Señor Cardenal Segura,” México, DF, 9Apr1938. AGN, DGIPS, 321:65, Tomo I.

¹¹⁵ “Francisco Cayón y Cos al Dr. Mariano G Somonte,” México, DF, 13Aug1937. AGN, DGIPS, 321:65, Tomo I.

¹¹⁶ “Pío Noriega a Francisco Cayón y Cos,” Higuera, NL, Dec1937. AGN, DGIPS, 321:65, Tomo I.

power if it included Spain and by the inevitable linkage (*"por encadenamiento inevitable"*) with Portugal... What a pity that Franco may be just a great general!" Cayón y Cos was not in agreement with this, feeling that Franco was "taking a wide view." He felt that Franco "may go against Italy and Germany," because any "union with them will be unbreakable." Feeling the need to explain himself further, Cayón y Cos wrote that "I am not completely fascist, just as I'm not a complete democrat."¹¹⁷

So what was Cayón y Cos? He was at this time sixty years of age. He was Asturian, born in Santander. He was an avowed anti-Semite. He was a mining engineer who also held a position with Compañía Transatlántica Española. He was a product of an earlier time, where foreign investors had free rein in the Mexico of the Porfiriato. Yet he was also a man of the present and this made him a reactionary, both anti-communist and anti-Semite. Between his Asturian roots and his work in the mining industry, he was almost certainly anti-labor. This made him anti-Republican. Too old to fight in Spain, he remained in Mexico and did all he could to support Franco. Probably, he was not 'completely fascist' because he considered himself a Carlist. At the same time, he left the door open to being a democrat, but not a 'complete democrat.' In a word, Francisco Cayón y Cos was an elitist.

While he and Pío Noriega were busy solving all of Franco's international problems, Spanish coordination with Germany was moving along much more realistically in Tampico. The Workers' Committee *denuncio* included the allegation that La Agencia Comercial y Marítima was altering passenger lists before handing them over to the State Secretariat. We

¹¹⁷ "Francisco Cayón y Cos a Pío Noriega," México, DF, 29Dec1937. AGN, DGIPS, 321:65, Tomo I.

have just established by examination of the advertising in *Vida Española* that this agency was linked to the head of the German Chamber of Commerce, Richard Everbusch,¹¹⁸ (and that Cayón y Cos was busy procuring a shrubbery for him). It will be recalled that this agency was also implicated in coordinating with Ibáñez fixing passports with the Portuguese and Italian Legations. The aforementioned letter from the Spanish Chargé, concerning Luciano Arechederra Quintana, Ansoleaga, and Gascón, reiterated and expanded these charges.¹¹⁹ According to Loredó, the Franquista network was closely linked to the Germans. José Celorio was in direct contact with both Franco and the German Embassy. Moisés Sola, "titular agent of Franco," was working with Ibáñez in connection to the passport fixing, thus tied to the Germans as well. In Veracruz, a number of men were implicated in espionage, subversive relations with the Germans, and a failed assassination attempt. Also named in the letter are Antonio Gascón, Braulio Suárez, Mario Fernández, Arechederra, José Castedo, Cayón y Cos, and Genaro Riestra, "Secretary of the UNE and organizer of the recent fascist marches." Ibáñez is listed as a recruiter in addition to his organizational duties. Arechederra and Castedo are accused of coordinating with Mexican fascists. The latter, director of *Vida Española*, was described by the Workers' Committee as having "an obscure history of a parasite, living off borrowed money and women." The Embassy held that he wrote under a pseudonym in the Mexican fascist press. In an apparently unrelated affair, except for the date, there is also record of a Manuel Barreiro González, listed as Spanish by nationality (probably Galician by his paternal name), born in 1897, who entered Mexico in 1909. Now a

¹¹⁸ Supra voce, 38.

¹¹⁹ "José Loredó Aparicio, Encargado de Negocios, Embajada de España, al Sr. Jefe de la Oficina de Información Política y Social de la Secretaría de Gobernación," México, DF, 16Mar1938. AGN, DGIPS, 321:64, 92. This time Cayón y Cos is a "padrote" rather than a "souteneur."

resident of Tampico, the Governor of Tamaulipas sought his expulsion for receiving financial contributions “for particular elements of the Spanish rebel movement.”¹²⁰

If the latter allegation has any relation with the former, it is in the timing. The oil expropriation was in February 1938 and all of these allegations and *denuncios* came to light in March and April. Rooted in domestic politics, the expropriation was a severe complication to Mexico’s foreign policy. Following the pattern of the railroad expropriation of the previous year, a labor dispute prompted the Cárdenas Government to inject itself on the situation and, in the name of the national interest, take over the industry. For President Cárdenas, it was not only a question of national interest, but “national honor.”¹²¹ As with the railroads, it was foreign interests in control of the assets and they who were imposed upon. However, preservation of national honor at home led to its conflation abroad. Before the expropriation, Mexico was able to oppose fascist aggression in the League of Nations morally and, once that aggression became unleashed in a civil war in Spain, there was nothing inconsistent in Mexico’s idealistic support of Republican Spain (an idealism that the future Allied powers would not permit themselves). However, by going forward with the nationalistically motivated expropriation, Mexico placed herself in an awkward position. She was completely alienated from Britain and commercially alienated from the United States. This left the Germans to purchase Mexican oil. How could the Mexican government pursue Spanish Franquistas for collaboration with the Germans when it was doing the same? Thus,

¹²⁰ Arcadio Ojeda García, El Oficio Primera [Departamento de Migración], Memorandum, México, DF, 4Apr1938. AGN, DGIPS, 321:64, 147.

¹²¹ Alan Knight, *U.S.-Mexican Relations, 1910-1940: An Interpretation* [Monograph Series 28] (San Diego, CA: Center for U.S. Mexican Studies, University of California, San Diego, 1987), 84-86 & Paz Salinas, 3.

by going through with the expropriation the Cárdenas government had weaved for itself a tangled web and this is reflected in both the IPS documents regarding the Falangistas and the government's inaction against them.

This web would eventually extend to the *ejidos* in the La Laguna. Featuring both irrigation works and collectivized farming, this cotton growing region was the centerpiece of the Cárdenas administration. In January 1939 there was an investigation into more Embassy allegations, this time relating to "seditious activity" in Torreón, the hub of La Laguna. According to the allegations, these Franquistas – Asturians and Galicians it was noted – were attacking the meeting centers of the Spanish and Mexican governments and propagating alarmist news against the Banco de Crédito Ejidal and the stability of the Cárdenas Government. Also alleged was a connection between these elements and those in Tampico, who were in communication via a German boat in that port with the Falange.¹²² This occurred while there was a transition in the leadership of both IPS and the Gobernación, with Cipriano Arriola replacing Amaya in the former, and Euquerio Guerrero replacing García Téllez at the latter. In response to these new allegations, as with the old allegations, the Mexican government did nothing.

Given that the level of proof that the law requires for deportation is not nearly as severe as what the law requires in a criminal trial, it is reasonable to conclude that in the case of the Spanish colony there was sufficient evidence for a significant number of deportations under Article 33. Money was being pillaged from the Red Cross via a German travel agency,

¹²² "Cipriano Arriola, por el Jefe de la Oficina, el Encargado al Jefe del Depto. de Gobernación," México, DF, 29Jan1939. AGN, DGIPS, 321:64, 172-174.

affiliated with the head of the German Chamber of Commerce, who in turn was linked to Francisco Cayón y Cos. Through their propaganda organs, the Franquistas were raising additional funding for the Nationalists, against whom the legitimate, if highly dysfunctional, Republican government was fighting with aid from the Mexican Government. Through the advertising in these organs, it was easy to determine who was participating in this aid. One of the advertisers, Garage New York, was linked to Ruido García, a man implicated in kidnapping and of particular interest to IPS. In the meantime, Ibáñez, Ansoleaga, and Urraza were engaged in passport fixing, recruitment, and smuggling of human intelligence assets. Ibáñez – a naturalized Mexican citizen linked to Mexican nationalists in his own right – had an office in the Banco de Comercio, along with La Comercial, and La Comercial had been advertising in such Mexican nationalist papers. Taken as a whole, the entire network was most certainly seditious. Worse, there were also links connecting these individuals to subversive activities in Tampico and Torreón, including the intimidation of *peones* now working the cotton fields of La Laguna. If the Spanish colony was engaged in such subversive activity, directly against the Mexican government's foreign policy, why were there no deportations? In the case of the Arechederras and Ibáñez, why were there no arrests? For a possible explanation to that question, it is helpful to leave the archival record of IPS and look elsewhere.

Chapter 4 – Franquista Financial Connections in Mexico

In her 1982 book, *The Limits of State Autonomy: Post-Revolutionary Mexico*, Nora Hamilton observed that:

The role of the Cárdenas government in establishing conditions for private capitalist accumulation has in turn raised questions among analysts of Mexican history, who have questioned the extent to which this period represents a departure from previous regimes. Some suggest that even the more radical policies of the Cárdenas administration were oriented to the interest of capitalism, and that Cárdenas was simply continuing the orientation of his predecessors toward private capitalist development with considerably more foresight and vision.¹²³

One aspect of this capital accumulation was a burgeoning insurance industry. I have already noted in passing the preponderance of insurance companies linked to Franquista elements under investigation by IPS. In 1935, a new law was passed which gave control over the insurance industry to the Ministry of Finance. The investment of reserves and capital by insurance companies were now restricted to Mexican goods and services. Although Mexico had been previously dominated by foreign firms, many such firms left the country after this legislation was enacted leaving the field open to new “domestic” investors. According to Hamilton, “These proliferated in the next few years, in many cases with technical personnel

¹²³ Hamilton, 139.

who remained in Mexico after the foreign companies left. Like other financial institutions, insurance companies proved to be an immensely profitable investment.”¹²⁴

As early as October 1936, Manuel Gómez Morín was gloating over this fact. Writing a friend in France, he spoke of many “systems of cooperation and collaboration...making it possible to achieve things which would have seemed impossible” beforehand.¹²⁵ Gómez Morín was a co-investor in Sofimex, with Ángel Urraza and the Ignacio Hornik, the Swiss vice-president of the New York office of Italian General Insurance Company.¹²⁶ Gómez and Urraza were stake-holders in Banco de Londres. The Arechederras were also a party to investment in this bank by virtue of the eight percent share held by C. Noriega y Cía. Hamilton gives the proportion of investment in Banco de Londres in 1940 as: Cía. General de Aceptaciones, 28 percent; JB Ebrard/Maximino Michel, 22.5 percent; Ángel Urraza/Cía. Hulera (sic) Euskadi, 15 percent; Trapaga, García y Cía. 11 percent; Sres. C Noriega y Cía., 8 percent; Sociedad Financiera Mexicana, 6.5 percent; Lic. Manuel Gómez Morín, 4.5 percent; Enrique Sada Muguerza, 2 percent; Alfonso Vega, one percent; La Provincial, one percent.¹²⁷

The presence of Enrique Sada Muguerza’s name on this list ought to be recognized. From Monterrey, the Garza Sada family had established Grupo Cuauhtémoc in order to distance their names from their political activities, above all the quashing of labor unions. The Garza Sadas were alleged to have supported the Camisas Doradas, a violent Mexican

¹²⁴ Ibid., 204-205.

¹²⁵ Ibid., 184.

¹²⁶ Supra voce, 17.

¹²⁷ Hamilton, 319.

fascist group, and in February 1936 had been part of a notable controversy with President Cárdenas over a lock-out at their Vidriería Monterrey glass factory.¹²⁸ La Vidriería was an advertiser in *Vida Española*, though the proprietor was given as José Alvarez.¹²⁹ Compañía General de Aceptaciones, the leading shareholder in Banco de Londres, was a subsidiary of Grupo Cuauhtémoc making the Garza Sada family, as Hamilton states, “a majority block of shareholders” in the bank. However, Hamilton regards Gómez as the driving force in the assembling of investors. “The Banco de Londres/Sofimex group,” Hamilton tells us, “had been largely engineered though Manuel Gómez Morín and undoubtedly constituted the major example of the systems of cooperation and collaboration to which he had referred.”¹³⁰ Aside from consorting with known Falangistas, Gómez was the founder of Acción Nacional, which Henderson calls a “traditionalist, non-fascist, anticommunist, and anti-totalitarian alternative to the party of the Revolution.”¹³¹ Given the pro-Franco linkage established herein, this Catholic group could hardly be termed “non-fascist” or “anti-totalitarian.”

Banco de Comercio is also linked to the Falange. That institution was part of the BUDA group, consisting of Raúl Bailleres, Salvador Ugarte, Mario Domínguez, and Ernesto Amescua. These men were linked to both Banco de Comercio and Crédito Minero y Mercantil. It will be remembered that Augusto Ibáñez Serrano kept an office in Banco de Comercio, as did the insurance company La Commercial. La Commercial was an advertiser in *Voz Nacional* and Salvador Ugarte, of the BUDA group, sat on the board with Jesús Rivero Quijano, a friend of Francisco Cayón y Cos.

¹²⁸ Ibid., 209-210.

¹²⁹ Supra voce, 38.

¹³⁰ Hamilton, 212.

¹³¹ Henderson, 109.

Banco de Comercio indirectly owned the Banco de Crédito Ejidal, in Torreón. This coup was scored in 1937 when the Ejidal Bank was unable to obtain loans from U.S. banks. In response, Banco de México – Mexico’s central bank – engineered a deal by which Banco de Comercio, Banco Nacional de México, and Banco Mexicano would capitalize the Ejidal Bank.¹³² This was consistent with Banco de Comercio policy, whereby it established a local footprint across the country by either opening themselves or acquiring interest in banks in the Mexican countryside, “a policy,” Hamilton notes, “which has increased its local control of regional financial resources.”¹³³ The deal allowing Banco de Comercio to acquire interest in Banco de Crédito Ejidal is of interest because Torreón was the site of the seditious activity against the *ejidal* project in the Embassy’s last complaint in January 1939 – by direction of the Falange and with the assistance of the Nazis if we are to believe the Embassy.¹³⁴

By 1939, the Mexican Government appears to have been a direct participant in the collaborative financial schemes within which the Franquistas had embedded themselves.

Nacional Financiera, the government’s development bank

began to buy and place bonds and other securities of private banks and industries as well as government securities; in 1939 its securities included those of the Banco Nacional de México, Banco de Londres y México, the Banco de Comercio, and several industrial firms established during the Porfiriato: Fundidora Monterrey (a steel foundry), Cía. Industrial de Orizaba (a textile company), Cervecería

¹³² Hamilton, 193.

¹³³ Ibid., 203.

¹³⁴ Supra voce, 51.

Cuauhtémoc (a brewery owned by the Garza Sada family) and Buen Tono (a tobacco company).¹³⁵

Three of these entities, Banco de Londres, Banco de Comercio, and Buen Tono (by virtue of advertising in *Vida Española*) have been directly linked to the Franquista network. Cuauhtémoc has been linked indirectly.

There were also allegations related to sugar concerns in Puebla. On the same IPS inter-office memo relating to Ángel Urraza's project to smuggle thirty Spaniards out of the country bearing German and Italian passports via Iberian Airlines, there is also a note of a recruitment project in Puebla carried out by "The Society of Count Ciriaco, representative of Azúcar, S.A."¹³⁶ At this time, former U.S. consul William Jenkins was owner of Atencingo and other sugar holdings in Puebla, acquired through foreclosure. Jenkins had been collaborating with the governor of Puebla, Maximino Ávila Camacho (brother of the future president, Manuel) in retarding Cardenista land reform by redistributing land to his employees rather than local villagers. Jenkins and Espinosa Iglesias later took over Banco de Comercio, though this was in the 1950s.¹³⁷ Owing to the lack of analysis in the IPS records, it is impossible to know whether Urraza's passport-fixing activities were linked to the recruitment effort in Puebla. It must suffice to say that the two incidents appear on the same memorandum. Further evidence of what was happening in Puebla probably exists somewhere in the IPS archive.

¹³⁵ Hamilton, 207.

¹³⁶ AGN, DGIPS, 321:64, 153.

¹³⁷ Hamilton, 257fn.

Allen Chase's 1943 account of the Falange in the Americas, written with documents that had been smuggled by exiled Spanish Republicans, supports much of what has been alleged here. According to Chase, Ibáñez on occasion signed his letters "Personal Representative of Generalissimo General Franco." In spite of his mail coming to Calle Artículo 123, address of Banco Comercio, "the best place to find him," according to Chase, "is in the office he maintains at the Portuguese Legation in Mexico City." Chase cites Ibáñez as the direct link between the Nazis in Europe and the "secret fascist armies on the American border," in constant contact with Colonel Sanz Agero, the Spanish Minister in Guatemala and head of the Falange in Central America.¹³⁸ This assertion is confirmed by American intelligence reports that were being developed at the same time that Chase was preparing his book. According to Navarro, "by 1942, U.S. and British military intelligence agents were certain that Spanish Falangists were conducting espionage operations on behalf of the Axis powers and transmitting their reports through the Spanish legation in Guatemala."¹³⁹ Of course, these sources confirm such connections only after the United States had come into the war. IPS documents indicate that the links between the Falange and Axis interests had been established during the Spanish Civil War, though they say nothing of "secret fascist armies on the American border."

For his part, Chase gives Ibáñez's three close lieutenants as Alejandro Quijano, Gómez Morín, and Carlos Prieto, lawyers all.¹⁴⁰ Gómez Morín, it will be recalled, was an associate of Ángel Urraza in Sofimex and Banco de Londres. It should also be recalled that

¹³⁸ Chase, 152.

¹³⁹ Navarro, 126.

¹⁴⁰ Chase, 151.

there was also a Jesús Rivero Quijano who was on the board of La Comercial, owner of Atoyac Textil and a friend of Cayón y Cos. Rivero Quijano was concerned about getting Atoyac's name mixed up in Falangista activities, as Cayón y Cos complained repeatedly to an associate in Spain that an order had been given that the company's name would not appear in any Falangista publication.¹⁴¹ Nevertheless, Rivero Quijano's name does appear in the list of board members in the La Comercial advertisement in *Voz Nacional*, the pro-Almazán daily.¹⁴²

At this point, there should be no doubt that there was a network of Franquistas operating in Mexico and that they had embedded themselves in Mexico's most important financial institutions. Some were associated with the Falange directly; others appear to have attempted to keep their distance publicly while contributing to the Falangista communications and recruitment operations in private. Although I have provided no detailed analysis of the propaganda within *Vida Española*, I have tried to make clear that the magazine made no attempt to disguise its support of and affiliation with the Falange, even going so far as to incorporate the yoke and arrows of the Falange into the symbology of its cover art. Therefore, any entity advertising in *Vida Española* was making public its support for Francisco Franco and the Falange.

Although an attempt has been made in the foregoing chapters to subdivide these groups into categories of status and participation, in reality such a division of labor did not

¹⁴¹ "Francisco Cayón y Cos al Señor don José Castedo," México, DF, 27Nov1937 & "Francisco Cayón y Cos al Señor don José Castedo," México, DF, 18Dec1937. AGN, DGIPA, 321:65, Tomo I.

¹⁴² *Supra voce*, 40.

really exist. It was convenient to make such distinctions by way of introduction of the topic; however, there were wealthy elites engaged in raising money, illegal activity, and propaganda. Those whom I have termed "operators" were engaged in all activities as well. There were a few pure propagandists, but in my view that merely indicates that their talents, if they may be called such, were focused in the most useful direction. Notwithstanding how the members are qualified, the seditious nature of the work that the network engaged in supporting Franco is self-evident. They raised money by a variety of means, including illicit transfers from the Red Cross, revenue from *Vida Española* and other propagandist organs, and direct fundraising efforts among the community, in the Casino Español, Centro Vasco, and elsewhere. Multiple persons under investigation were involved in passport-fixing, in concert with the Portuguese, Germans, and Italians, ensuring that both Franco's agents and new recruits could travel unimpeded. They distributed a phenomenal amount of propaganda, aimed not only at aiding and abetting Franco but also at turning public opinion in Mexico against the Cárdenas foreign policy. Some of this was apparently done in collaboration with Mexican veterans' groups. Moreover, the cross-over of advertisers from *Vida Española* to *Voz Nacional* indicates the difficulty in parsing out those who had firm links to the Falange and those who were merely Mexican supporters of Almazán. The cross-over is sufficient to call into question whether such a distinction ought to be made. Cayón y Cos was even attempting to expand their propagandist efforts to the United States, parroting the extremist views of Father Coughlin. There can be no doubt that both Cayón y Cos and Ibáñez were actively collaborating with the Nazis, particularly with the head of the German Chamber of Commerce, Richard Everbusch.

Then there are the allegations regarding La Laguna. If the Spanish Embassy is to be believed, the Spanish colony was collaborating with German human and signals intelligence in Tampico, turning the capabilities that these provided on the *ejidal* agricultural collectives in Torreón. This would have extended the network's goal beyond mere support for Franco, something to be expected from a diasporal group such as the Spanish colony in Mexico City, to encompass a secondary goal of weakening the Mexican government. However, it was also being done in coordination with a nation – Germany – with whom the Mexican government was attempting to increase trade following the loss of traditional export markets after the expropriation.¹⁴³

The Franquista network had also imbedded itself deeply within Mexico's financial institutions. Ángel Urraza, whose involvement in the most seditious of the Spanish colony's activities is borne out by the IPS record, was a significant shareholder in Banco de Londres, in association with the Garza Sada and Noriega families and with Manuel Gómez Morín, the founder of Acción Nacional. Hamilton's research into Mexican financial structures, much of it gleaned from financial statements that were public knowledge, tells us that Gómez Morín was integral to the formation of the investment group Sofimex. Chase, using Republican informants, claims that Gómez Morín was working for Ibáñez, though the inverse seems

¹⁴³ Paz Salinas, 27-28 & 148-149. Noting that much of this trade was done on a barter basis, Paz considers the Abwehr "the most important espionage agency" in Mexico. Nevertheless, she concludes the expropriation was not the source of this activity, but rather a contingency. Rout and Bratzel see German espionage as "inextricably tied" to the petroleum issue. Rout & Bratzel, 54-55. This may be a tempest in a teapot, as it has been noted that Mexican production had been in decline since the early 1920s, due to exhaustion of reserves that could be tapped using the drilling technology of that era. See Stephen Haber, Noel Maurer, and Armando Razo, "When the Law Does Not Matter: The Rise and Decline of the Mexican Oil Industry," *The Journal of Economic History* 63:1 (Mar2003) 1 & 10-16.

equally probable. Where IPS investigations of the Falange are concerned, Gómez Morín's name is conspicuously absent. Oddly enough, it was not the Banco de Londres/Sofimex interests but the Banco de Comercio interests that were advertising in Franquista, and later pro-Almazán, propaganda. All that this study has determined is that there was a Mexican financial network that included Franquista supporters. At the same time, the potential for conflicts of interest was profound. Corruption in Mexico is always taken as a given. What I am arguing here is that increased knowledge of how that corruption operated, and perhaps continues to operate, has value. How the Franquista network was exerting its influence ought to be the subject of further research. For example, given the potential for indirect pressure on the Ejidal Bank by virtue of its debt to Banco de Comercio – and the Spanish Embassy was alleging that this was happening – this would be a good place to start.

Chapter 5 – Conclusion

If IPS had been ignoring the Franquista presence in Mexico, there would not be enough evidence to write this paper. Since it was collecting information on the group, the question arises as to whether they were looking in the right places. Had they overlooked anything? Were they properly analyzing the information they had collected? Given the archival evidence, it would appear that IPS agents had been tasked properly, though this statement cannot be made without some caveats. It appears that the wealthy amongst the Franquista elements were treated differently than the rank and file. The Vega family, so prominent at the Dosal funeral, comes under no close scrutiny. Although the most damning evidence the IPS possessed was related to Ángel Urraza's coordination with the Italians and Germans – on a political and military level, not, as would have been acceptable to the Cárdenas government at this time, of a commercial nature as with Cayón y Cos – this information was not passed down to the agents so that they might hone their field investigation. IPS reports of Urraza's comings and goings at the Centro Vasco and other UNE meeting places were driven by his presence there, not by instruction from above. The Arechederra brothers at La Carolina mill and Francisco Cayón y Cos also fit into this category. There are over two hundred pages of Cayón y Cos's correspondence on archival record, but no field investigation except to ascertain his whereabouts. Both investigations, that of March 1938 and that of March 1939, were allowed to languish. This lack of persistence indicates that IPS and Gobernación had other priorities.

One would think that when all those pages belonging to Cayón y Cos were transferred from Arriola to Guerrero (IPS to Gobernación) in January 1939, there would have been a thorough investigation of his ongoing activities. Such a deficiency is a shame, because the agents appear to have been a highly motivated force from which the Mexican government might have benefited. As with the tasking of agents, it is difficult to say this with surety because the archival record contains so little analysis either by the agents themselves or their superiors. Remember, the first task of IPS was the collection of information. There are nevertheless a few examples of such analysis. On 10 March 1938, as part of the investigation driven by Dosal's funeral, the Workers' Committee *denuncio*, and similar but more focused complaints from the Spanish Embassy, Agent PS-7 reported on the activities of Gilberto Ruido García, his meeting with Estanislau Vega, Ismael Vega, four others by name, "and many others, who soon will give me their names."¹⁴⁴ A year later, nearly to the day, Agent PS-17's report on the Torreón *ejidal* allegations concluded that "As can be seen, such flagrant abuses of the hospitality and of the laws of the country merit at least that the Executive might make use of the faculties conferred unto it by Article 33 of the Constitution."¹⁴⁵

It is hard to tell whether Agent PS-15 shared this view. In July 1938 he paid a visit to the Falange headquarters in Mexico City, using the proper countersign to gain entry at 6:00 pm. The occasion was the celebration of the second anniversary of Franco's rising. According to PS-15, there were over a thousand people present "of Spanish nationality," though he was careful to note that no one observed spoke of "political issues or relations

¹⁴⁴ AGN, DGIPS, 321:64, 15.

¹⁴⁵ AGN, DGIPS, 321:64, 179.

with our country." Films were screened showing the events in Spain "and scenes of the fratricidal war." Amidst the festivities, PS-15 was able to poke around, checking desks and file cabinets for arms or other incriminating evidence, of which he found none. He was unobserved, or so he thought. At about 8:45, he was approached and asked, "*Señor Clave* (Mr. Spy), would you be so kind as ("*tiene la bondad*") to proceed to Mr. Celorio's office?" Once seated, PS-15 was asked if his visit was official or personal in nature, given that foreign elements (i.e., non-Spanish) were strictly prohibited from entering the building. PS-15 termed his visit as "extra-official," explaining that he merely wanted a volume of the history of the war that was being distributed as a part of the festivities. The Falange representative, who is not named by the report, parried this thrust by explaining that the Falange was not responsible for the volume, that they did not approve it for distribution, and that its purpose was to sustain the war effort, "something that is inexact." He went on to read a passage from the Falange regulations that strictly precluded members from speaking of politics relating to nations in which the members may reside. The conversation went on until 10:30, at which point the Falangistas passed along the best wishes of Mr. Celorio and "of a friend of yours [of a friend of Amaya's]," giving PS-15 samples of their best propaganda. "It pleases me," PS-15 reported to Amaya, "to place the above within your knowledge, for such purposes that may create opportunities."¹⁴⁶

The discretion posed by this report emblemizes the difficult position in which PS-15, Amaya, Gobernación, and ultimately President Cárdenas were placed. Although exposed,

¹⁴⁶ "PS-15 al C. Humberto Amaya, Jefe de la Oficina de Información Social y Política," México, DF, 20Jul1938. AGN, DGIPS, 321:64, 169-171. In Spanish, "Lo cual me es grato poner en conocimiento de usted para los fines que crea oportunidades."

PS-15 handled himself well, as did the Falangistas who had exposed him. Surely their name-dropping by way of reference to a friend of Humberto Amaya's put PS-15 in an uncomfortable position. Amaya was probably made just as uncomfortable. As for the leadership of IPS and Gobernación, it is hard to say in this limited study what went into the decision to replace Humberto Amaya with Cipriano Arriola at IPS, and Ignacio García Téllez with Euquerio Guerrero at Gobernación, but it can be shown that such a transition took place and that it took place at the end of 1938 or beginning of 1939, just as the Republic of Spain was in its death throes. Surely there were far more important domestic issues involved, personality conflicts, and inter-party politics – any number of reasons that would rise to a level of importance above what was happening in Spain. Nevertheless, the change in leadership at the head of Mexico's top institutions of internal security represents that something was happening within the Cárdenas administration. The question is not how that shift in leadership was affected by the policy vis-à-vis Spain but how the shift at the top affected government policy formation downstream, particularly before, during, and after the 1940 election. Although writing in the context of American and German activities in Mexico, Navarro contends that "the efforts of the Mexican intelligence bureaucracy during the period from 1939 to 1942 were deeply conflicted."¹⁴⁷ This conflicted nature is likewise evident with respect to Spain from 1936 to 1939.

A look at the expulsion policy of the Mexican government is even more revealing. Under Article 33 of the 1917 Constitution, Cárdenas could have foreign nationals expelled practically on a whim. Pablo Yankelevich has noted a significant decline in its use from the

¹⁴⁷ Navarro, 176.

term of Álvaro Obregón (1921-1925) to that of Cárdenas. Obregón was responsible for half of Mexico's 1,081 expulsions from 1917 to 1934, with a peak in 1922 of nearly three hundred. A quarter of these were Spaniards.¹⁴⁸ By contrast, the Cárdenas government (1934-1940) expelled sixteen *total*, six of them Spaniards, "in spite of hundreds of *denuncios*." Part of this was due to a change of policy wherein, as Yankelevich explains, an undesirable was "invited" to leave the country.¹⁴⁹ However, in the fuller analysis Yankelevich is of the opinion that the complexity of business and family ties lay behind Article 33's decline in use, where Spaniards were concerned:

Apart from other groups of foreign nationals, Spaniards not only were the largest, but their social networks involved so many *empresarial* associations with familial and personal bonds with Mexican citizens. The political cost of a mass expulsion would be so high that surely it was not even considered...Hundreds of members of the Spanish colony were under observation, but it was a long way from here to an expulsion; above all, because the government had reliable information as to the superficial commitment that the majority of the colony had for Franquista activities.¹⁵⁰

Although one may agree with that statement in general, it may also be said that Yankelevich's conclusion reveals an analysis that is accurate, yet imprecise. We have seen that there were, in fact, complex familial and personal bonds between the Spanish colony and

¹⁴⁸ Yankelevich, 2004, 46-47.

¹⁴⁹ Ibid., 49.

¹⁵⁰ Ibid., 58-59. The last phrase: "porque el gobierno tenía información confiable del superficial compromiso que el grueso de la colonia tuvo para con las actividades del franquismo."

the Mexican population. José Vega del Cueto was married to a Mexican. José Celorio was born in Mexico, though he claimed Spanish citizenship. Ángel Urraza was involved in highly complex financial arrangements with Manuel Gómez Morín and other Mexican elites. However, the “commitment” to Franquista activities on the part of some in the Spanish colony in Mexico City (and amongst the Mexican elites) was not “superficial.” These were serious businessmen who did not contribute hard-earned funds to a cause without expectation of results. They may have made donations to charitable causes simply for the sake of keeping up appearances, but political investments were anything but superficial. More to the point, the part of the colony whose commitment was not superficial was the most powerful and influential by virtue of its wealth, as this research has shown.

Historians have been tempted to make too much of the Cárdenas administration’s expulsion of the Falange “leadership.” For instance, Friedrich Schuler calls the decision a “drastic public stance.”¹⁵¹ However the three who were expelled – Alejandro Villanueva Platas, José Celorio Ortega, and Genaro Riestra Díaz¹⁵² – hardly comprise the nerve center of the Franquista organization. Villanueva, an official envoy of the Falange, had only recently arrived in Mexico; the role of Celorio and Riestra appears from the IPS record to have been ceremonial. To his credit, Yankelevich does not put too much stock in the significance of the three deportees.

Nora Hamilton’s analysis bears a similar imprecision with regard to Spanish presence in Mexico. She only credits Spanish influence insofar as the colony supported the newly

¹⁵¹ Schuler, 142.

¹⁵² Yankelevich, 60.

emergent National Action Party (PAN), “formed in 1939 at the instigation of Manuel Gómez Morín [attracting] conservative professionals, intellectuals, merchants and industrialists (including the Garza Sada interests in Monterrey), as well as important elements of the Spanish colony in Mexico, chiefly professionals and businessmen.”¹⁵³ Hamilton relegates Betty Kirk’s allegation of Falangista *control* of PAN to a footnote and gives undue (in my view) credence to the effect of the deportations (all three of them.) Here she seems to agree with the assessment of Pierre Boal, US Embassy Counsel, who asserted in a report to Washington in November 1939, that the Mexican government had the fascist community “under control.”¹⁵⁴ It is worth considering that by ending her study in 1940 Nora Hamilton may have forced herself into the conclusion that “electoral” defeat of Almazán and the Panistas who supported him spelled the end of outside influence. Perhaps if Hamilton had extended her work beyond 1940 she would have discovered Spanish influence outside PAN (and in the Mexican financial sector.) In her view of Spanish influence, it appears that in this she is taking her cue from Friedrich Schuler who saw the deportation as “severe” and claims that in October 1939 the Falange was “paralyzed” by the Nazi-Soviet Pact and Franco’s order for the Falange to avoid activity that might be interpreted as a violation of Spanish neutrality. Schuler supports this assertion of “paralysis” with a U.S. intelligence report that the Falange had declined as “an active force for propaganda and infiltration of German and Italian influence,” given at roughly the same time as the Boal assessment used by Hamilton.

¹⁵³ Hamilton, 261.

¹⁵⁴ Ibid., 262fn15. Pierre Boal was Counselor of the U.S. Embassy in Mexico City at this time.

Schuler concludes that "the Falange, as a social movement...had stopped being a threat to Cardenismo."¹⁵⁵

Here the historical analysis has risen above imprecision to become fundamentally flawed. Because Schuler, Hamilton, and other historians are basing their analysis on U.S. intelligence reports of the era, their analysis is only as good as those reports. American intelligence was not interested in the maintenance or decline of Cardenismo nor of the Spanish Republic. The United States was interested in stopping "German and Italian influence" in Mexico. By using that metric as a measurement of Falange strength or weakness, American intelligence and subsequent historical analysis fails to confront the vital interest of the Falange, which was not in Mexico in 1939 (nor was it ever) for the purpose of furthering the international ambitions of Hitler and Mussolini. In their analysis of later events, Rout and Bratzel follow the same pattern, concluding that "there is no evidence that [Franco's] SIM (Servicio de Investigación Militar) agents in Mexico and Central America provided any data of substance to the Germans"¹⁵⁶ (in 1941) and that "the idea of having Spain's SIM replace the German intelligence organization was prudent, but it came too late to have any salutary effects"¹⁵⁷ (in 1943). The Falange had arisen in Mexico to support Francisco Franco. If the oil expropriation in 1938 opened possibilities for German commerce, by which the Falange could profit, so much the better. Given the links established herein between Cayón y Cos and Richard Everbusch, the head of the German Chamber of Commerce, be they the latter's advertising in pro-Franco propaganda or the former's

¹⁵⁵ Schuler, 142-143.

¹⁵⁶ Rout & Bratzel, 82.

¹⁵⁷ Ibid., 95.

correspondence with regard to shipments of "cascalote," this was in fact happening. However, the Falange in Mexico was not Hitler's play-thing, any more than it was in Spain. There was no primacy of German interests above Spanish interests in Mexico, and probably Latin America in general.

There were two events in this period that a review of Falangista activity during the Spanish Civil War helps to clarify: the oil expropriation and the Nazi-Soviet Pact. The former placed Mexico in an awkward position internationally. Washington refused to purchase Mexican oil, with Germany emerging as the dominant purchaser in its place. Once the war began, the British Admiralty was able to blockade Mexican exports effectively. Not only did this interrupt the revenue stream of the Mexican government at a time critical to Cardenista reforms, but it also put an ambivalent stamp on Cardenista foreign policy. Whereas the Mexican government had been an outspoken critic of Axis aggression and a military opponent of Germany by proxy in Spain, at the same time the government was selling petroleum to Berlin via the Soviet Union. At home, the expropriation was not long in estranging the working class from the government, as government now took the place of the corporation in labor negotiations. In this sense, the expropriation should not be viewed as an achievement of Cardenismo, but rather as a severe complication.

The Nazi-Soviet Pact was equally problematic in Mexico because it exposed the governments in both Berlin and Moscow as the opportunists that they were. On the left, it destroyed unity and replaced the idealism of the early Cardenista years with a cynicism to which Mexicans were very accustomed historically – a cynicism that has its roots in both the Spanish *Quijote* and the Aztec *Malinche*. Thus the left in Mexico was alienated from the Communist International and the Soviet Union, with which it had been collaborating to save

Republican Spain. At the same time the right in Mexico, whose ideology had much in common with the Catholic anti-communist doctrine of Nationalist Spain, was alienated from Berlin by the same treaty. As we have seen in the exchange between Francisco Cayón y Cos and Pío Noriega,¹⁵⁸ Spanish support for Berlin was never that firm to begin with. As for Mexico, the linkage between Mexican domestic policy and international affairs that Beteta described, so recently established by Cardenista foreign policy, was inevitably broken. Even so, *full* Mexican subscription to the American project of hemispheric defense cannot be dated from the signing of the treaty between Ribbentrop and Molotov. After all, Mexican oil continued to be transported by the Japanese from ports along Mexico's Pacific coast to Vladivostok, thence on to Berlin. If nothing else, this trade arrangement reflects the triumph of money in Mexican politics.

What I would argue is apparent is that the Falange was able to take advantage of both financial reforms adopted by Cárdenas in the early period of his tenure and the post-expropriation spike in Mexican-German commerce. Both of these policies assisted the Spanish colony in cementing their position within Mexico's financial institutions. It was the earlier reforms that started this process. Aside from La Comercial and La Provincial, linked to Banco de Comercio and Banco de Londres, respectively, this investigation has found links between the Franquistas of the Spanish colony to three insurance companies: Hornik's General Insurance Company, Ltd., of Trieste and Venezia, Ifiigo Noriega's La Fraternidad, and Luis G. Burgos's La Aurora. Thus, by taking protectionist measures intended to buttress Mexican insurance companies in 1935 Cárdenas closed the front door to the more benign

¹⁵⁸ *Supra voce*, 47-48.

financial foreign interests and opened the back door to Spanish *and latent Porfirian* interests who were friendly to Franco and had embedded themselves within the banking sector. As Table One shows, many of these interests had been present in Mexico since the Porfirio Díaz regime that predated the Revolution. Ángel Urraza, José María Arechederra, Augusto Ibáñez Serrano, Gilberto Ruido García, and others, had entered Mexico in the first decade of the twentieth century. The Noriega family had come earlier, gained prominence during the Porfiriato, and by the decade of the 1930s we find that Pío Noriega was a favorite correspondent of Cayón y Cos.

Some of these highly influential Franquistas were industrialists such as Urraza and the Arechederra brothers. Where their participation in either the UNE or the Falange is concerned, their first priority was Franco's victory in Spain. The main contribution Franquistas in Mexico were to make to Franco's war effort was financial support. This must have become even more important after the Civil War than beforehand. While the Spanish Civil War was ongoing Franco could get all the arms he wanted from Germany and Italy. However, once it became necessary to govern Franco would need money to rebuild a nation that had been wracked by three years of war. Hitler and Göring, who had charge of the Nazi Five-Year Plan, were not nation-builders. The same may be said of Mussolini, who by this time had occupied Albania and had set his sights on Greece. Even more to the point, a strong Spain would have weakened Mussolini's prestige in the region. If Franco was going to find the funding to rebuild Spain, that funding did not exist in Spain and would not be forthcoming from his erstwhile Axis allies. Mexico, though not a wealthy country, presented an opportunity for Franco to find at least some of this funding. As the IPS record clearly

indicates, the financial infrastructure for his support already existed in the form of the Spanish colony in Mexico.

If the past as presented here constitutes any sort of prologue, the reader might consider two facts that indicate the depth and duration of these financial entities' ties to Spain: in 2004 Banco de Comercio, known by that time as Bancomer, was absorbed by the Spanish bank BBVA, headquartered in the Basque city of Bilbao.¹⁵⁹ The story of Banco de Londres is a bit more tenuous but, as with any property description, arrives at the same point of beginning. In 1970, Londres absorbed the Compañía General de Aceptaciones (the majority shareholder in Londres in 1940, according to Hamilton),¹⁶⁰ becoming Grupo Financiera Serfin. In 1992, Serfin's majority shareholder, Adrian Sada, had the bank's headquarters moved to Monterrey.¹⁶¹ In 2000, Grupo Serfin was acquired by the Spanish bank Banco Santander.¹⁶²

However, it is not the outcome that is the proof. This study has shown Franquista presence in Mexico at a very early date. Many were remnants of the Porfiriato. Nearly all

¹⁵⁹ Banco Bilbao Vizcaya Argentaria, S.A., "El Grupo Nacional," 2012. Retrieved 10Aug2012 from <http://www.bbva.com/TLBB/tlbb/jsp/esp/conozca/historia/grpinter/index.jsp>.

¹⁶⁰ Supra voce, 54.

¹⁶¹ "Mexican Banks Pull Out of a Dive," *Business Week*, 1Sep1996. Retrieved 10Aug2012 from <http://www.businessweek.com/stories/1996-09-01/mexican-banks-pull-out-of-a-dive>.

¹⁶² Denisse del Ángel Chávez López & José Luis Félix Arce, *México, opción para el inversionista extranjero*, 2003 [tesis, Universidad de las Américas Puebla] 81. Retrieved 10Aug2012 from http://catarina.udlap.mx/u_dl_a/tales/documentos/lcp/chavez_1_dd/portada.html. Banco Santander, S.A., "Historia," 2012. Retrieved 10Aug2012 from http://www.santander.com/csgs/Satellite?appID=santander.wc.CFWCSancomQP01&canal=CSCORP&cid=1278677205483&empr=CFWCSancomQP01&leng=es_ES&pagename=CFWCSancomQP01/GSInformacion/CFQP01_GSInformacionDetalleMultimedia_PT12.

were from the north coast of Spain: Basques, Asturians, with an occasional Galician mixed in. Coming from this region, they were Carlists by birth and Falangistas by necessity. They had accrued social and financial connections that afforded them the ability to support Franco during the Spanish Civil War. The Falange in Mexico was established to assist Franco and the Spanish Army when they rose up against the government. Its primary function was to raise funds for Franco and distribute propaganda in Mexico. Funding needs were met because of the commercial positions that had been attained mainly by the UNE, not the Falange. The Falange was critical to the distribution of propaganda and would be a valuable asset to Franco's SIM in the future.

Although the course of international events would force the linkage of Mexican foreign policy to American foreign policy, preventing a rapid rapprochement with Franco's new government, the Spanish colony was at least able to preserve a financial base in Mexico for Franco. This financial base was politically engaged in discrediting Cardenista reforms. Careful analysis of relations between the Falange and the Abwehr in Latin America shows that theirs was a marriage of convenience. When American advisors in Mexico City assured their government in Washington that the 'fascists' were under control, that statement should be read as 'Germans and Japanese,' not 'the Falange and SIM.' Franco's assets were operating freely as they always had done.

There is also a social aspect to the conclusions that can be drawn here. The linguistic and religious bonds between Mexico and Spain remained strong. In this I am in complete agreement with Pablo Yankelevich. However, I would take that conclusion one step further. Foreign direct investment, as an economic concept, is a myth with respect to Spain's participation in the Mexican economy, and probably that of all Latin America (excepting

Brazil). Spanish investment in Mexico does not penetrate from without, it emanates from within. The fact that the Falange could not only survive in Mexico, but flourish to the point of influencing the most critical aspects of Mexican domestic policy illustrates this point. Although Alan Knight characterizes human relations between Mexicans and Spaniards as inherently adversarial – employer-employee or retailer-customer, likening the former to the position of American employers in Mexico and the latter to Jewish or Syrian retailers in Egypt¹⁶³ – there is a critical difference. Spaniards in Mexico spoke the same language and professed the same faith as Mexicans. In this, human relations between Spaniards and Mexicans were bound to be more humanistic. In terms of familial and religious concepts, the two cultures were identical. For a Mexican oil worker, the first communion of his daughter was of little interest to his American foreman, but on a Spanish-owned hacienda this was an event that could be shared by employer and employee. Due to a similarity of language, culture, religion, and other factors – not the least of which are personal ties established during the Porfiriato – Spain is probably more important to post-revolutionary Mexican history, particularly by way of comparison to the Protestant United States or the atheist Nazi Germany and Soviet Union, than historians are willing to acknowledge. The United States and Germany had one mode of influencing Mexican policy: money. The Soviet Union was limited to ideology. Spain had a variety of tools at its disposal, most of which carried greater moral weight than mere Yankee dollars or Marxist theory. At the same time, it should not be forgotten that money was also in the Spanish tool kit.

¹⁶³ Knight, 66-67.

Another area where Spain lies outside the normal analysis of Mexican political history is in the chronological assessment that credits the 1940 election for the shift in direction to the right and into the arms of American commercial interests. One can see a shift in Mexican government policy before Manuel Ávila Camacho took office with the breakdown in Cardenista foreign policy. The Spanish Civil War was an important chapter in Mexican history, not only because it represents a rare instance of Mexico asserting its influence on international affairs, nor because of the rescue of tens of thousands of refugees from Franquista Spain and Vichy France – of which Mexicans can and should be proud – but also because of what lies on the right side of the political equation. Ángel Urraza held a significant portion of shares in Banco de Londres *before* the 1940 election and *after*. Banco de Comercio held the Ejidal Bank's debt *before* and *after* that same election. In terms of the Spanish colony in Mexico City, the 1940 election and even the Second World War are a distraction.

Although Spanish influence over PAN (Partido Acción Nacional) and the Almazán candidacy is broadly acknowledged, much less, if anything, is known about Spanish influence over PRI (Partido Revolucionario Institucional). It was the latter that ruled Mexico for seventy years. Yet it was PRI, as personified by Lázaro Cárdenas and his government, that tolerated the activities outlined in this thesis. Thus far, the few reasons for such tolerance that historians have been able to provide seem superficial. The government obviously knew that the Spanish colony represented a threat; otherwise there would not have been any investigation. The investigation revealed that there was seditious activity ongoing in Mexico. It is significant enough that Mexico was the second largest supplier of arms to Republican Spain. That fact takes on even greater significance given the poor state of the Mexican

economy at the time – at any time for that matter. Yet the IPS investigations were allowed to languish and the Spanish colony's activities were allowed to persist. Although the research underlying this thesis is insufficient in scope to provide clear evidence of conflicts of interest that would explain such permissiveness, the *potential* for conflict of interest is certainly there. Sometimes it is just as worthwhile to persist in an investigation for the purpose of ruling something out as for proving it true. This is one of those cases, not only for the case in point but also for the more basic reason that so little exists in the historiography regarding Spanish influence in Mexico in general. Moreover, this study has established that the Spanish colony had its roots in the Porfirian regime. This raises an even more significant question in the Mexican historiography: did the Mexican Revolution represent a clean break with the Porfiriato? That debate is still ongoing.

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VITA

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